

## PRIVACY PRINCIPALS REGARDING CLIENT INFORMATION

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Like most industries today, the financial services industry is rapidly being shaped by technology, which is literally changing the way we do business. To be successful in this environment, we must continue to insure that our clients are confident that we will manage their financial affairs expertly and confidentially.

At Asset Strategy Consultants, our clients have access to a broad range of consulting services from development of Investment Policy Statements and asset allocation analysis to retention and monitoring of money managers. To deliver these products and services as effectively and conveniently as possible, it is essential that we use technology to manage and maintain certain client information.

We want to assure all of our clients that whenever information is used, it is done with discretion. The safeguarding of client information is an issue we take seriously at Asset Strategy Consultants. To affirm our continuing commitment to the proper use of client information, we have set forth the following Privacy Principles. It is these Privacy Principles that guide us in serving the privacy needs of our clients.

- 1. Recognition of a Client's Expectation of Privacy:** At Asset Strategy Consultants, we believe the confidentiality and protection of client information is one of our fundamental responsibilities. And while information is critical to providing quality service, we recognize that one of our most important assets is our clients' trust. Thus, the safekeeping of client information is a priority for Asset Strategy Consultants.
- 2. Use, Collection, and Retention of Client Information:** Asset Strategy Consultants limits the use, collection, and retention of client information to what we believe is necessary or useful to conduct our business, provide quality service, and offer services and other opportunities that may be of interest to our clients. Information collected may include, but is not limited to: name, address, telephone number, tax identification number and portfolio information.
- 3. Maintenance of Accurate Information:** Asset Strategy Consultants recognizes that it must maintain accurate client records. Therefore, Asset Strategy Consultants has established procedures to maintain the accuracy of client information and to keep such information current and complete. These procedures include responding to requests to correct inaccurate information in a timely manner.
- 4. Limiting Employee Access to Information:** At Asset Strategy Consultants, employee access to identifiable client information is limited to those with a business reason to know such information. Employees are educated on the importance of maintaining the confidentiality of client information and on these Privacy Principles. Because of the importance of these issues, all Asset Strategy Consultants employees are responsible for maintaining the confidentiality of client information.

5. **Protection of Information via Established Security Procedures:** Asset Strategy Consultants recognizes that a fundamental element of maintaining effective client privacy procedures is to provide reasonable protection against the unauthorized access to client information. Therefore, Asset Strategy Consultants has established appropriate security standards and procedures to guard against any unauthorized access to client information.
6. **Restrictions on the Disclosure of Client Information:** When it comes to sharing client information with unaffiliated companies, Asset Strategy Consultants places strict limits on who receives specific information about client accounts and other identifiable data. Asset Strategy Consultants may share information with such companies if they provide a product or service that may benefit our clients. Whenever we do this, we carefully review the company and the product or service to make sure that it provides value to our clients.

We share the minimum amount of information necessary for that company to offer its product or service. We may also share information with unaffiliated companies that assist us in providing our products and services to our clients; in the normal course of our business (for example, with custodians, actuaries and money managers).

7. **Maintaining Client Privacy in Business Relationships with Third Parties:** If we provide identifiable client information to a third party with which we have a business relationship, we will insist that the third party keep such information confidential, consistent with the conduct of our business relationship.
8. **Disclosure of Privacy Principles to Clients:** Asset Strategy Consultants recognizes and respects the privacy expectations of our clients. We want our clients to understand our commitment to privacy in our use of client information. As a result of our commitment, we have developed these Privacy Principles which are made readily available to our clients. Clients who have questions about these Privacy Principles or have a question about the privacy of their client information should call Alfred J. Morrison at 1-866-344-8282 or e-mail him at [morrison@assetstrategyconsultants.com](mailto:morrison@assetstrategyconsultants.com).

**Attachment:** Compliance Manual Section VI.F.1

## VI. CLIENT ACCOUNTS AND DOCUMENTS

### F. Regulation S-P.

#### 1. Privacy of Client Financial Information (Regulation S-P)

Regulation S-P requires the Company to adopt *policies and procedures* reasonably designed to (a) ensure the confidentiality of customer records and information; (b) protect against any anticipated threats or hazards to the security of customer records and information; and (c) protect against unauthorized access or use of customer records or information that could result in “substantial harm or inconvenience” to any consumer. The privacy provisions of Regulation S-P will apply to information that is “nonpublic personal information.”

*Nonpublic information*, under Regulation S-P, includes “personally identifiable financial information” and any list, description, or grouping that is derived from personally identifiable financial information.

*Personally identifiable financial information* is defined to include several categories of information:

- i. ***Information Supplied by Client:*** Any information that is provided by a client or prospective client to the Company in order to obtain a financial product or service. This would include information or material given to the Company when entering into an investment advisory agreement.
- ii. ***Information Resulting from Transaction:*** Any information that results from a transaction with the client or any services performed for the client. This category would include information about account balances, securities positions, or financial products purchased or sold through a broker/dealer.

Under the SEC’s privacy rules, the Company is required to:

- i. Adopt policies and procedures to safeguard customer information,
- ii. Issue an initial and annual privacy notice, and,
- iii. Issue an opt-out notice if the Company shares information with third party non-affiliates.

The regulation requires disclosure of the types of nonpublic personal information the Company collects and whether it shares information with affiliates or non-affiliates. Specifically, the Company’s privacy notices must contain the

information listed below, unless the disclosure does not apply to the Company's practices at which time the notice can be silent:

- i. Categories of nonpublic information collected;
- ii. Categories of nonpublic personal information disclosed, if applicable;
- iii. Categories of affiliates and non-affiliated third parties to whom information is disclosed, and,
- iv. Categories of nonpublic personal information disclosed about former customers and the categories to whom the information is disclosed.

2. **The Company's Privacy Policy.** As general policy, the Company will not disclose personal financial information about any client to non-affiliated third parties except as necessary to establish and manage the client's account(s) as required by law to demonstrate compliance with state or federal laws or regulations or otherwise as directed in writing by a client (e.g., to verify assets). In these situations, personal financial information about a client may be provided to the custodian maintaining these accounts.

In addition, the Company will restrict access to clients' non-personal financial information to those employees who need to know such information in order to provide products or services to clients. The Company will maintain physical, electronic, and procedural safeguards that comply with federal standards to guard each client's personal financial information. Such safeguards include restricting the use of any information contained on the Client Investment Questionnaire to each client's personal account manager, the manager's supervisor and the Company's CCO or such other persons as the CCO deems as needing to know the information. Hard copy of client personal financial information will be maintained in the Company's central files, and will be secured after normal business hours. Electronic access to client personal financial information will be restricted to the client's consultant and authorized support staff access will also be available to the Company's CCO.

3. **Delivery of the Company's Privacy Notice.**

Each client will be provided with a copy of the Company's Privacy Notice upon opening his/her account. In addition, each active client of the Company will be

provided with a copy of the Privacy Notice at least annually. A copy of the Company's Privacy Notice is included in the Supplement Section XXIV of this manual.