

CONFLICTS OF INTEREST ADDITIONAL INFORMATION

- SCF Investment Advisors Inc. ("SCFIA") affiliate broker-dealer SCF Securities Inc. ("SCFS") receives, directly or indirectly, payments including 12b-1 fees, incentives, gifts or other compensation in conjunction with the implementation of investment advice given to clients. Disclosure is required for such compensation received by SCFS, SCFIA's IARs, control persons or affiliates, related to client purchases and the payment of referral fees as the payments constitute a conflict of interest when investment recommendations are made to clients where a lower cost non 12b-1 fee paying share class of the same investment class is available but not recommended.
- The Firm makes no guarantee that any transaction effected will result in the lowest overall cost or 12b-1 fee.
- SCFIA receives mutual fund 12b-1 fees for accounts opened and cleared through National Financial Services ("NFS"). The receipt of 12b-1 fees creates an actual conflict of interest when NFS is recommended or used as the qualified custodian and clearing firm for a client's account and when higher 12b-1 fee share classes are recommended to customers over lower, non 12b-1 fee paying share class options that are available.
- Pursuant to its fully disclosed clearing agreement with NFS, SCFS receives additional compensation in the form of 12b-1 fees, and revenue sharing payments based on overall transaction volumes including ticket charges and balances in Fidelity Money Market cash sweep vehicles. These payments to SCFIA are made in connection with SCFIA advisory business placed with NFS and present a conflict of interest when lower cost share classes are available to the client.
- SCFS selects the default cash deposit sweep vehicle ("Vehicle") from a list provided and made available by NFS for accounts opened and custodied with NFS through SCFS' fully disclosed clearing agreement with NFS. The Vehicle and the fund's share class selected by SCFS result in larger revenue sharing payments from NFS to SCFIA's affiliate SCFS since other Vehicle options are available with lower cost structures in the same fund family. Clients have the option of choosing an entirely different Vehicle that will result in lower fees and expenses.
- The receipt of 12-b-1 fees creates an actual conflict of interest when NFS is recommended or used as the qualified custodian and clearing firm for a client's account and when higher 12b-1 fee share classes are recommended to customers over lower, non 12b-1 fee paying share class options that are available.
- All accounts have a cash deposit sweep vehicle ("Vehicle"). The Vehicle is used to hold an account's available cash balance while awaiting reinvestment. SCFS chooses the default Vehicle for accounts custodied and cleared through NFS. The default Vehicle selected by SCFS has a 12b-1 fee and expense ratio that is higher than other Vehicles that are available for SCFS to select. The higher cost option that SCFS selects results in larger revenue sharing payments to SCFS based on cash balances invested in the Vehicle.
- A conflict of interest arises when an adviser receives compensation in the form of 12b-1 fees, either directly or indirectly, through an affiliated broker-dealer for selecting a more expensive mutual fund share class for a client when a less expensive share class for the same fund is available and appropriate. Receipt of 12b-1 fees incentivizes investment decisions considering the receipt of 12b-1 fees by selecting more expensive 12b-1 shares when a lower-cost share class is available for the same fund. We cannot guarantee that any transaction effected will result in the lowest overall cost or 12b-1 fee.
- SCFS has entered into an agreement with Advisors Asset Management, Inc. (AAM) to assist in executing transactions in fixed income securities. Our affiliate SCFS receives a percentage of the concessions AAM charges on transactions executed with AAM on behalf of SCFIA and its clients. This creates a conflict of interest to the extent fixed income transactions are executed through AAM opposed to other options available to SCFIA clients.
- SCFIA does not maintain custody of managed assets, although SCFIA may be deemed to have custody of Client assets if given written authority to withdraw assets from accounts. Client assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or trust company.
- SCFIA does not receive research or any other products or services, other than execution and custody services from a broker-dealer in connection with Client securities transactions ("soft dollar benefits"). SCFIA does not consider, in selecting or recommending broker-dealers, whether SCFIA or a related person of SCFIA receives Client referrals from a broker-dealer or third party.
- Product sponsors (such as: mutual fund companies; insurance companies and direct investment companies, etc.) and custodians which are recommended to Clients may provide various types of support to SCFS, SCFIA and its RRs or IARs respectively. Such support includes, but is not limited to: research, educational information, financial support for due diligence meetings and Client events. The receipt of this type of support may present a conflict of interest.
- SCFIA and its IARs receive an economical benefit via additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse SCFIA for the costs associated with, education or training events that are attended by SCFIA employees and IARs and for SCFIA-sponsored conferences and events. Additionally, SCFIA or its affiliates receive due diligence fees in connection with the purchase of certain alternative investment products. Therefore, a conflict of interest exists to the extent their products may be approved by SCFIA or its affiliates and recommended to clients.

Should you have any questions regarding this Compliance Bulletin, or any other compliance related issue, please call the SCF Compliance Department at 800.955.2517 or send an email to compliance@scfinc.com.