

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page



**FORM ADV, PART 2A BROCHURE**

March 30, 2016

This brochure provides information about the qualifications and business practices of INOVE Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (800-340-5020) or you may email us at [info@Inoveam.com](mailto:info@Inoveam.com) or write us at the address below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about INOVE Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for INOVE Asset Management, LLC is 157224.

We are a registered investment adviser with the United States Virgin Islands. Our registration as an Investment Adviser does not imply any level of skill or training.

INOVE Asset Management, LLC  
6501 Red Hook Plaza, Suite 201  
St. Thomas, VI 00802  
Tel: 800-340-5020  
Fax: 888-408-8885  
[info@Inoveam.com](mailto:info@Inoveam.com)

Please retain a copy of this Brochure for your records.

Item 2 Material Changes

This document was developed in response to new requirements adopted and imposed by the Securities and Exchange commission (“SEC”) under the Investment Advisers Act of 1940 (“IA Act”). Within this section, we are required to tell you about any significant changes within this brochure. The company does not have any material changes to report.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Under new SEC rules, we will provide you with a new brochure within 120 days of the end of our fiscal year. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means or in hard copy form). You can request a free brochure by calling us at 800-340-5020.

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### **Background of INOVE Asset Management, LLC**

INOVE Asset Management (“INOVE”, “IAM” or “We”) was founded as a United States Virgin Islands limited liability company and is registered as an investment adviser in August, 2011 by its Founder, President and Chief Executive Officer, Toussaint D. Gaskins, with offices in St. Thomas, Virgin Islands. IAM provides investment advisory, financial planning, financial education and consulting services to consumers, individual and institutional investors, corporations and government plan sponsors, including individual portfolio advisory services, retirement plan advisory services, corporate and government consulting.

### **Principal Owner(s) – 25% or more**

INOVE is 100% owned by Toussaint D. Gaskins, its Founder, President and Chief Executive Officer.

### **Advisory Services Offered**

IAM provides investment advisory, financial planning, financial education and consulting services to individuals; trusts; family offices; estates; charitable organizations; foundations; pension, retirement and profit-sharing plans; institutions; and small businesses. IAM has developed a series of model investment portfolios, termed the INOVE Model Investment Portfolio Strategies, or iMIPS. Through iMIPS, we have created globally diversified asset allocation models for clients. The iMIPS range from Diversified Capital Preservation and Income (most conservative) to All-Cap Aggressive Growth (most aggressive). iMIPS are defined as follows:

- **Conservative: Capital Preservation and Income:** This strategy seeks capital preservation and current income. Investments are primarily made in a diversified selection of mutual funds and exchange-traded funds (“ETFs”) that may invest in U.S. Government long, intermediate and short-term bonds, corporate bonds, preferred stocks, treasury bills and other highly-rated, short term (e.g., 90-day) securities and U.S. large cap equities. Large cap equities are stocks with a market value of \$5 billion and above.
- **Balanced: Income and Growth:** This strategy seeks current income as its primary objective, with capital appreciation as a secondary consideration. Investments are primarily made in a diversified selection of mutual funds and ETFs that may invest in U.S. Government long, intermediate and short-term bonds, high-yield and foreign bonds, preferred stocks, U.S. large cap, mid cap, small cap equities and foreign large cap equities. Mid cap equities are stocks with a market value between \$2 billion and \$5 billion, and small cap equities are stocks with a market value between \$500 million and \$2 billion.
- **Balanced: Growth and Income:** This strategy seeks total return through a combination of capital appreciation, its primary objective, and current income, its secondary objective. Investments are primarily made in a diversified selection of mutual funds and ETFs that may invest in U.S. large cap, mid cap and small cap equities, foreign large cap and emerging market

equities, U.S. Government long and intermediate-term bonds, high-yield bonds, foreign and emerging markets bonds. Large cap equities are stocks with a market value of \$5 billion and above, mid cap equities are stocks with a market value between \$2 billion and \$5 billion, and small cap equities are stocks with a market value between \$500 million and \$2 billion. Investments in foreign and emerging securities may provide greater diversification benefits than domestic securities alone, but involves additional risks.

- **Moderate Growth:** This strategy seeks to maximize capital appreciation. Investments are primarily made in a diversified selection of mutual funds and ETFs that may invest in U.S. large cap, mid cap and small cap equities, foreign large cap and emerging market equities, U.S. Government intermediate-term and high-yield bonds. Large cap equities are stocks with a market value of \$5 billion and above, mid cap equities are stocks with a market value between \$2 billion and \$5 billion, and small cap equities are stocks with a market value between \$500 million and \$2 billion. Investments in foreign and emerging securities may provide greater diversification benefits than domestic securities alone, but involves additional risks.
- **Aggressive Growth:** This strategy seeks to maximize capital appreciation by increasing the portfolio weighting in domestic small cap and emerging market equities. Investments are primarily made in a diversified selection of mutual funds and ETFs that may invest in U.S. large cap, mid cap and small cap equities, foreign large cap equities, emerging market equities and U.S. Government intermediate-term bonds. Large cap equities are stocks with a market value of \$5 billion and above, mid cap equities are stocks with a market value between \$2 billion and \$5 billion, and small cap equities are stocks with a market value between \$500 million and \$2 billion. Investments in foreign and emerging securities may provide greater diversification benefits than domestic securities alone, but involves additional risks.

The investment portfolio holdings within these models may include the following:

- Mutual fund shares of no-load and load waived, open-end registered investment companies
- Exchange-traded funds (“ETFs”)
- Collective trust and other pooled investment funds
- Shares of closed-end registered investment companies

We do not sponsor nor are we affiliated with these investments. An INOVE representative meets with a client to discuss their needs. The primary factor in recommending an asset allocation model to clients are their investment objectives and risk tolerance. We also consider the client’s personal situation, including age, health, family circumstances, income, expenses, assets, debts, liquidity needs, goals, personal objectives, suitability, time horizon and other relevant factors. A portfolio recommendation is presented for the prospective client’s consideration and selection.

Subsequent telephone conversations are held to establish an account and further explain the presented portfolio(s) selection. Clients are serviced on an ongoing and as needed basis. If a client’s investment objectives or financial situation changes, the client should notify INOVE of the changes in writing and we require the signature of the client. We receive an investment management fee for our services.

IMIPS accounts are monitored on an ongoing basis and are rebalanced or assets reallocated based on

market or other conditions, as warranted. Changes in the portfolio, which include adding, removing, or replacing securities at the discretion of INOVE, are made infrequently based on significant changes in the economic, financial, or political climate; changes in the tax code; the management of the securities used by the portfolio; and/or the client's personal circumstances, including health, employment, and family status. INOVE may replace a particular security if it significantly diverges from its relevant index in terms of risk or return with a security that is more in line with the risk/return profile of the relevant index. Reallocations occur with less frequency than rebalancing and when INOVE reallocates accounts, it generally does so in anticipation of the impact that expected long-term market volatility could have on specific asset classes or types.

Client may impose reasonable restrictions on the management of client's account from time to time during the term of this agreement by providing written notice to IAM of client's intent to impose such restrictions. In the event that the restrictions cause IAM to not be able to purchase a security, IAM may purchase additional amounts of unrestricted security holdings. This process will, from time to time, result in a security, industry and/or sector weightings that materially exceed those of our unrestricted accounts, thus affecting the risk/return characteristics of the account. We reserve the right, at our sole discretion, to close an account, by giving written notice of such termination, if unreasonable or overly restrictive conditions are requested.

To help IAM provide accurate and timely management of your invested assets, IAM requires clients to establish an account with a designated "qualified custodian," as that term is defined in Rule 206(4)-2(d)(6) of the Investment Advisers Act of 1940. IAM does not have custody of any client funds or securities.

The custodian maintains the underlying records for the assets held in client accounts. IAM will not serve as the custodian for client advisory assets. Clients are solely responsible for paying all the fees and charges of the custodian, as stated in your agreement with the custodian.

### **Asset Allocation Model Investment Portfolios for ERISA Plans**

IAM provides the INOVE Model Investment Portfolio Strategies ("iMIPS") to plan sponsors of defined contribution retirement plans ("Plans") subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, which gives participants the ability to individually direct the investment of accounts under the Plan.

Through iMIPS, we create and recommend a range of asset allocation model portfolio strategies, each consisting of a diversified mix of asset classes for Plan sponsors. We also provide educational guidance to assist the Plan sponsor in its review of these models. In addition, we recommend the underlying asset classes for the models and recommend at least one investment security for each underlying asset class. Usually these are funds including but not limited to shares of open-end registered investment companies, such as mutual funds, and ETFs (collectively, the "Underlying Funds"). We don't sponsor, nor are we affiliated with, any of the Underlying Funds.

Generally, INOVE holds an initial meeting with the Plan sponsor to explain the firm's services and fees and to collect detailed financial data about the Plan. Emphasis is placed on identifying the Plan sponsor's investment objectives and determining the financial situation of the Plan. With respect to the asset allocation models and Underlying Funds recommended to each Plan sponsor client, we consider the Plan's investment objectives, financial situation, suitability and other relevant factors.

After the Plan sponsor reviews and approves our recommendations, the asset allocation model portfolio strategies are offered to Plan participants as investment options (the “Investment Options”). Participants will select an Investment Option for their Plan accounts. The Underlying Funds may also be available to Plan participants who do not select an Investment Option, if the Plan sponsor permits it. With the Plan sponsor’s permission, we make general educational information regarding saving for retirement and asset allocation model portfolios and the Investment Options available to the Plan’s participants. We are not responsible for reviewing or changing any participant’s decision to invest in a particular Investment Option.

On an ongoing basis, we work with the Plan sponsor’s Recordkeeper and/or Third Party Administrator (“TPA”) to ensure that the selected investment options are properly implemented. With the Plan sponsor’s permission, we give instructions to the Recordkeeper and/or TPA to do the following:

- Invest the underlying assets of each Investment Option in a mix of investments in the Underlying Fund
- Periodically rebalance the mix of investments in the Underlying Funds for each Investment Option
- Strategically modify the allocations for the Investment Option so as to reallocate the mix of investments

Plan sponsors are permitted to impose reasonable restrictions on the underlying assets of Investment Options managed on behalf of the Plan. With respect to such restrictions, a Plan sponsor may request that particular securities or types of securities not be purchased, or that such securities be sold. Plan sponsors should know that we can’t influence or change the mix of securities held by any Underlying Fund in which the Plan may be invested. We reserve the right, at our sole discretion, to reject any Plan sponsor account where unreasonable or overly restrictive conditions are requested. Plan sponsors are reminded to inform IAM if their investment objectives or financial situation changes. The professional relationship between the Plan sponsor client and IAM may be terminated at will by either party upon written notice.

### **Financial Planning Services and Investment Consulting Services**

INOVE Asset Management (“IAM”) offers financial planning and investment consulting services designed to achieve stated financial goals and objectives. Financial plans may be comprehensive or may focus only on specific areas of client concern or a particular Account. In general, individual client financial planning or investment consulting may include the following:

- cash flow analysis
- investment policy statement creation
- asset and liability analysis
- long and short-term goal setting
- life and disability insurance needs analysis
- variable and fixed annuity exchange analyses
- long term care needs-based analysis
- income tax analysis and strategic tax planning
- estate plan analysis
- education funding analysis
- risk tolerance assessment

- special needs planning
- planned giving analysis
- small business pension plan analysis and design
- retirement plan assessment and analysis (with Monte Carlo analysis)
- investment portfolio holdings-based analysis and asset allocation review

When providing financial planning and investment consulting services, IAM will gather client information and history, including the client's current financial status, future goals, and attitudes towards risk. The client may also be asked to provide key financial and legal documents and to complete a questionnaire. The client may be required to work closely with an attorney, accountant and/or insurance agent to implement the recommendations of a financial plan. Generally, the IAM will meet with the client and provide recommendations, a written financial plan, and/or investment advice (for investment consulting). Financial plans generally will be presented to the client within 3 – 8 months of entering a financial planning agreement, provided that all information needed to prepare the financial plan has been promptly provided by the client.

IAM prepares a comprehensive financial plan for clients based on their financial and personal circumstances. We do not provide legal or tax advice. Clients are charged a one-time fee that can be waived at the INOVE's discretion. Each financial planning client has a choice of selecting us to invest on his/her behalf on a discretionary basis (meaning we can carry out some financial transactions without first consulting the client) by investing in a client selected, INOVE Model Investment Portfolio Strategy ("iMIPS"), or the client can implement an IAM financial plan on their own. Client understands and acknowledges that Client is free at all times to accept or reject any recommendations of IAM, and that Client has sole authority with regard to the implementation, acceptance or rejection of any recommendations or advice from Adviser.

Financial plans and investment recommendations are based on the client's financial situation at the time they are created and are based on financial information disclosed to the firm. IAM cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Further, the client must continue to review any plan or investment recommendation and update the plan based upon changes in the client's financial situation, goals, or objectives, and/or changes in the economy. During the financial planning process, clients must notify IAM promptly if their financial situations or investment goals and objectives change.

Financial planning clients also have the ability to receive annual financial planning services. This gives them the benefits of ongoing investment advice and recommendations from INOVE. There is an annual planning fee for this service, which may be waived at the sole discretion of the firm. IAM may also, at our sole discretion, decline to assist clients with the implementation of investment strategies or choices that have not been recommended or that the firm deems not to be in the client's best interest.

Clients are under no obligation to implement recommendations through IAM. However, clients are advised that we offer services and products in which some recommendations can be implemented. If the client chooses to implement the recommendations through IAM in any capacity, the firm may generate additional advisory fees in addition to the fees earned from financial planning and investment consulting services.

Clients who choose to implement their financial plans elsewhere will not receive ongoing investment advice from us. IAM does not serve as an ERISA fiduciary to any account subject to the Employee Retirement Income Security Act of 1974, as amended, which seeks only financial planning services.

## **Retirement Plan Investment Management Services**

For institutional plan sponsors, we provide the following retirement plan investment management services:

- Defined Benefit and Defined Contribution legislative policy review and analysis
- Defined Contribution Plan Design
- Solicitation of Service Providers
- Creation and review of Investment Policy Statement (IPS)
- Individual Fund and Separate Account Analysis
- Participant Communications Plan Development
- Enrollment of Plan Participants
- Creation of Participant Education Services Plan
- Ongoing Plan and Investment Management Review

IAM provides services to assist plan sponsors, plan trustees and investment committees to meet their ERISA fiduciary responsibilities. IAM provides these services under ERISA § 3(21) and ERISA § 3(38). Under these sections, clients can engage IAM to provide investment advisory services. By doing so, IAM shares fiduciary responsibility with plan trustees and investment committees as it relates to the assets IAM is under agreement to provide investment management or advisory services. As a part of a client's fiduciary team, IAM provides the investment expertise to implement the plans investment policies and objectives.

### **Third Party Product or Service**

IAM will use the product or service offered by a third party in providing services to Client and the Plan.

### **Plan Search Support**

IAM will manage the preparation, distribution, and evaluation of Request For Proposals, finalist interviews, and conversion support.

### **INOVE Asset Management acting as an advisor under ERISA § 3(21)**

For the purposes of ERISA § 3(21), IAM does not exercise any discretionary authority or control respective to management of the plan or management or disposition of its assets or have any discretionary authority or discretionary responsibility in the administration of the plan. Therefore, IAM is not a "fiduciary" pursuant to ERISA except to the extent it renders "investment advice" to the plan within the meaning of section 3(21) of ERISA and Department of Labor regulations there under. The participants are responsible for any individual investment selections made under the plan.

Under ERISA § 3(21), IAM acts as the advisor making investment recommendations, but it is ultimately up to the plan sponsor to decide whether and how to implement these recommendations. Furthermore, under ERISA § 3(21), the participants are responsible for any individual investment selections made under the plan.

### **INOVE Asset Management acting as an investment manager under ERISA § 3(38)**

For the purposes of ERISA § 3(38), IAM serves as the investment manager, who exercises discretionary

authority with regard to the model portfolios it develops and with regard to the mutual funds and other investment vehicles that it selects for investment under the Plan. Therefore, IAM is not a "fiduciary" pursuant to ERISA except to the extent it renders "investment advice" to the plan within the meaning of section 3(38) of ERISA and Department of Labor regulations there under. The participants are responsible for any individual investment selections made under the plan.

Under ERISA § 3(38), IAM acts as the advisor with discretionary authority with regard to the investments managed for the plan, allowing the plan sponsor to transfer liability for selecting, monitoring, and replacing the investment options to IAM, the investment manager.

### **Financial Literacy Seminars**

IAM is a strong advocate of consumer education and financial literacy. We provide financial literacy seminars for a fee or as a community service to plan sponsors, corporations, associations, non-profit organizations, community and religious groups on a variety of personal finance topics. Presentations are created by and based on the teachings of Toussaint D. Gaskins. They are designed to explain complex financial concepts in plain English in a way that is educational and informational. The format ranges from small group workshops to large group town hall meetings. Groups may qualify to receive presentations free of charge, as part of our community services program.

Item 5 Fees and Compensation

**INOVE Asset Management Client Fee Schedule**

For individual and institutional clients, the negotiable fee schedule is as follows:

Asset Value of the Account	Annual Fee
Up to \$250,000	1.75%
From \$250,001 - \$500,000	1.50%
From \$500,001 - \$750,000	1.25%
From \$750,001 - \$1,000,000	1%
From \$1,000,001 - \$5,000,000	.75%
From \$5,000,001 - \$10,000,000	.50%
Amounts above \$10,000,000	Negotiable

Fees are calculated as a percentage of assets under management. Client shall pay IAM an annual fee for services, which shall be billed at the end of each quarter, and payable in arrears. Compensation is not payable before service is provided. Each quarterly billing shall be twenty-five (25%) of the appropriate annual fee applied to the market value of the Account, including cash and equivalents, as of the close of business on the last day of the preceding quarter. IAM shall not be compensated on the basis of a share of capital gains or capital appreciation of the Account or any portion thereof. The investment account minimum is \$100,000.

When calculating advisory fees, we aggregate household accounts to determine the lowest percentage if all accounts were managed as one relationship. The IAM annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, redemption fees, custodian fees, charges or expenses imposed by the underlying funds, and other related costs and expenses which shall be incurred by the client. In addition, the fee does not include IRA and retirement plan fees, transfer fees, SEC fees, 12b-1 fees for certain money market funds, expenses charged by the mutual funds (including management fees, transaction charges incurred for fund-level model trades, custody of fund assets and other fund expenses), expenses charged by the exchange-traded funds, or other fees or taxes that are required by law. For retirement plan service offerings, the Plan's record keeper, custodian or other service provider(s) may charge a separate fee to cover the administrative and other record keeping costs associated with Plan accounts invested in the iMIPS investment options. Please review Section 12 for our brokerage related activities.

INOVE, in its sole discretion, may negotiate to charge a greater or lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, etc.). Either party may terminate the advisory relationship at any time by giving the other written notice of termination or as provided in the *Client Agreement*. Fees typically pro-rated and charged in arrears, as determined by the date of termination, will be calculated and any earned portion thereof will be promptly paid to INOVE.

Client represents that it has authorized or shall authorize the Custodian to deduct from the Client's account and pay to IAM on the submission of a bill the advisory fee for each calendar year quarter. IAM

will send to the Client a quarterly statement showing the amount of the advisory fee due, the account market value on which the fee was based and how the fee was calculated. IAM will send to the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account.

The Client is responsible for verifying fee computations since the custodian is not typically asked to perform this task. Client shall direct the Custodian to send the Client a quarterly statement showing all amounts paid from the Account, including all management fees paid by the Custodian to IAM. Upon written notification, the Client may rescind the authorization to deduct advisory fees from the Client's account and may have future advisory fee bills sent directly to them. In such event, the Client agrees to pay advisory fees upon receipt of a bill from IAM.

The INOVE Model Investment Portfolio Strategies ("iMIPS") are globally diversified asset allocation models. Investments are primarily in a diversified selection of mutual funds and ETFs that may invest in U.S. large cap, mid cap and small cap equities, foreign large cap equities, emerging market equities, U.S. Government long, intermediate and short-term bonds, high-yield bonds, foreign and emerging markets bonds.

IAM, the investment adviser for the asset allocation model, iMIPS, receives compensation based on the amount of money the client invests in the selected strategy.

### **Other Fees Earned by IAM**

#### **Financial Plans**

IAM may offer clients individual financial planning services. These services are offered to clients at an hourly rate to be negotiated based on the scope of the engagement. Clients who pay for a plan are under no obligation to implement the plan with our firm. The financial planning fee is waived for employees of the firm and for *pro bono* cases at the discretion of the firm. The hourly rate is \$200 per hour, and services provided on an hourly basis are billed based upon progress billing.

#### **Annual Financial Planning Fee**

IAM charges an annual financial planning fee, beginning in the second year after the creation of a plan for non-iMIPS asset allocation clients. The fee includes periodic review of client portfolio holdings. These services are offered to clients at an hourly rate to be negotiated based on the scope of the engagement.

This agreement may be terminated by either Client or Adviser without penalty upon written notice delivered to the other party. If this agreement is terminated within five business days after its execution, then all fees paid in advance by Client shall be refunded. If this agreement is terminated more than five business days after its execution, then any fees paid in advance will be refunded on a proportionate basis based upon work completed by IAM as of the date notice is delivered to, or sent by IAM (the "Notice Date"). In such circumstances, IAM shall deliver to Client all written work and recommendations developed prior to the Notice Date.

Lower fees for financial planning may be available from other sources. IAM may have a financial incentive to recommend products that may result in fee-based revenue for a recommendation to select one of the iMIPS. However, financial planning clients are under no obligation to implement their financial plans through us and are informed of this at the time plans are presented.

**Seminars**

Seminars are offered to the public on a variety of financial topics. Fees begin at \$495, with satisfaction guaranteed or 100% of the registration fee refunded. The fee is due prior to the event.

Item 6 *Performance-Based Fees and Side-By-Side Management*

IAM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). We do not engage in side-by-side management. See Item 5: Fees and Compensation for further details on advisory services offered.

IAM provides financial planning, investment management and consulting services to individuals; trusts; estates; family offices; charitable organizations; foundations; pension, retirement and profit-sharing plans; corporations; taft-hartley/labor unions; government plans; municipalities and other business entities.

### **Conditions for Managing Accounts**

As a condition for maintaining a relationship, INOVE generally requires a minimum account size of \$100,000. Multiple client accounts may be aggregated to meet this requirement. INOVE, in its sole discretion, may waive the minimum account size requirement or require a different account minimum.

The INOVE Model Investment Portfolio Strategies asset allocation accounts utilize the following conditions:

#### **Notification of Deposits**

INOVE requires the Client, broker and/or custodian of any INOVE Model Investment Portfolio Strategies asset allocation account to notify INOVE of all investable cash in advance to receive timely investing. In situations where INOVE finds out about a deposit via the brokerage statement or in some other manner which is not timely, INOVE will consider the cash as unsupervised from the date the cash was actually deposited in the INOVE Model Investment Portfolio Strategies Account until the date INOVE became aware of the investable cash via its reconciliation procedures or some other means.

#### **Notification of Withdrawals / Raising Cash**

INOVE requires notification from the Client, broker and/or custodian of all cash withdrawals from any INOVE Model Investment Portfolio Strategies Account. INOVE will raise cash following receipt of the withdrawal notice and the cash will remain in the INOVE Model Investment Portfolio Strategies Account as unsupervised until it is withdrawn by the Client. INOVE encourages the Client to withdraw the cash from the INOVE Model Investment Portfolio Strategies Account in a timely manner.

#### **Investment Objective Changes**

Any requests to change the INOVE Model Investment Portfolio Strategies Account's investment objective, must be received by INOVE in writing from the Client and require the Client's signature or the signature of an authorized party.

#### **Investment Restrictions**

***Equity restrictions*** - may include legal, tax, market capitalization, industry concentration, dividend yield, etc.

***Fixed Income restrictions*** - may include maturity length, yield, credit quality, instrument type, etc.

In the event that the restrictions cause INOVE to not be able to purchase a security, INOVE may purchase additional amounts of unrestricted security holdings. From time to time, this process will result in a security, industry and/or sector weighting that materially exceeds those of INOVE's unrestricted INOVE Model Investment Portfolio Strategies Accounts, thus affecting the risk/return characteristics of the INOVE Model Investment Portfolio Strategies Account. INOVE reserves the right to reject any INOVE

Model Investment Portfolio Strategies Account it deems overly restrictive.

### **ACATing and Other Account Changes**

By request, or at its own discretion, INOVE may suspend trading in a INOVE Model Investment Portfolio Strategies Account for temporary purposes for the following reasons or until INOVE receives proper notification to resume trading: account name and number changes, asset allocation model changes, custodian changes (ACATs), and error research and corrections.

### **Margin Accounts**

**INOVE Model Investment Portfolio Strategies Accounts:** It is INOVE's general policy not to accept any INOVE Model Investment Portfolio Strategies Accounts on margin. If an existing INOVE Model Investment Portfolio Strategies Account goes to margin status, the INOVE Model Investment Portfolio Strategies Account may be terminated at INOVE's discretion.

### **Death or Disability**

The death, disability, or incompetency of an advisory client will not terminate or change the terms of the client's investment advisory agreement. However, in the event of an advisory client's death, permanent disability or incompetency, the client's executor, guardian, attorney-in-fact or other authorized representative may terminate the client's investment advisory agreement by giving written notice to INOVE, with such termination being effective upon INOVE's receipt of such notice.

### **Account Minimums**

A minimum of \$100,000 of assets is generally required to open an INOVE Asset Management Account. Accounts can be closed by INOVE if their account falls below the account minimums. INOVE reserves the right to accept or maintain accounts below the stated minimums. INOVE also reserves the right to waive and/or negotiate other conditions for managing accounts as detailed above.

### **Investment Strategy**

IMIPS relies on an investment philosophy that is based on the latest academic research, such as the Modern Portfolio Theory, Fama-French Three-Factor Model and the latest discoveries in behavioral economics via semantic analysis. Modern Portfolio Theory seeks to reduce portfolio risk while increasing portfolio returns. In addition, investors should be compensated for the risk that is assumed by their portfolio holdings. Meaning, in a perfect world, investors should make more money because they take more risk. This is accomplished by following the four essential elements of Modern Portfolio Theory, which are as follows:

- **Security Valuation:** To describe a universe of assets in terms of expected return and expected risk. Meaning, to assign a market value and level of risk to a given universe of investment(s) at a specific point in time.
- **Asset Allocation:** To determine how assets are to be distributed (invested) among classes of investment, such as stocks and bonds.
- **Portfolio Optimization:** To reconcile risk and return in the selection of the securities to be included with a portfolio. For example, we must determine which potential portfolio holdings offer the best return for a given level of expected risk.
- **Performance Measurement:** To divide each investment's performance into market-related (stock/bond market performance) and industry specific securities related classifications (place investments in the right category so that they can be analyzed correctly).

As a result of our discipline, investing in more than one asset class, an investor can reap the benefits of diversification, chief among them being a reduction in the riskiness of the portfolio. The Fama-French Three-Factor Model through research found that over long periods of time, value stocks outperform growth stocks and, similarly, small cap stocks tend to outperform large cap stocks. Recent developments in the area of semantic analysis and data analytics, assist us in our understanding of human behavior. By gaining a greater understanding of human behaviors, we now are focused upon isolating economic leading and predictive indicators versus the analysis of lagging indicators. Therefore, by analyzing these factors it enhances our ability to evaluate the potential portfolio performance. iMIPS is founded on the premise that science, supported by rigorous academic research, combined with semantic analysis offers one of the preferred approaches to investing. The IAM investment philosophy is based on the following basic principles:

- Develop highly diversified portfolios of correlated and non-correlated investments that feature a broad range of asset classes, investment styles and market sectors.
- Use market-based investments (index of security holdings), not manager-based investments (not individually selected stock and bond investments – we remove a level of stock and bond selection risk).
- Hold the investments for long periods of time.
- Periodically reallocate investments as conditions warrant.

- Strategically rebalance as needed.

IMIPS is highly diversified, invests primarily in mutual funds and ETFs, and features as many as thirty (30) asset classes and investment management styles. This approach is very effective, but of course cannot ensure investment success or prevent loss in a declining market. Past performance is no guarantee of future results.

### **Methods of Analysis and Investment Selection**

Based on the written Investment Management Agreement that clients execute, IAM is granted discretionary authority to implement client-approved investment strategies. Investments are selected based on past performance (as applicable), manager tenure, portfolio turnover, fees and a variety of academic statistics including beta, standard deviation, R-Squared, Sharpe Ratio, Information Ratio, Tracking Error and other measurements. These statistics are provided by third-party vendors and the investment sponsors and are evaluated by the IAM asset allocation model manager, on both an absolute and relative basis, relying on standards set by the firm. We may obtain and utilize information and data from a wide variety of public and private sources. Neither IAM nor our Advisors will independently verify or guarantee such information and data. In categorizing the asset classes of investments, we will rely on prospectuses and information obtained from the issuer or its agents, or through publicly available sources. Neither shall IAM be liable for any misstatement or omission contained in the information from these sources, or any loss, liability, claim, damage or expense incurred, arising out of, or attributable to such misstatement or omission. State and federal securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing in the brochure shall in any way constitute a waiver or limitation of any rights that the client may have under federal and state securities laws. Transactions for different account(s) or for other clients' accounts may not be made at the same time, may be made on different days and may be made over multiple days. In handling purchases and liquidations, we will execute transactions without regard to pending dividend or capital gains distributions, stock splits, mergers, or other corporate or financial events. The client may impose reasonable restrictions on the management of the account. When imposing restrictions, the client may request that particular securities or types of securities not be purchased, or that such securities be sold if held in the account. However, the client cannot request that particular securities be purchased for the account. Moreover, the client should note that it is impossible for us to influence or change the mix of securities held by any mutual fund or ETF included in the client's account. We reserve the right, at our sole discretion, to reject any account should the client request unreasonable or overly restrictive conditions.

### **Risk of Loss**

IMIPS consists of a combination of institutional or no-load mutual funds and exchange-traded funds, which are subject to the following risk factors:

- **Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks including currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

- **Capitalization Risk** — Small cap and mid cap companies may be hindered as a result of limited resources or less diverse products or services and have historically been more volatile than the stocks of larger, more established companies.
- **Interest Rate Risk** —The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two interest rates, in the shape of the yield curve or in any other interest rate relationship. Such changes usually affect securities inversely and can be reduced through diversification and the utilization of hedging strategies.
- **Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the Fund's performance.
- **Political Risk** — Political risk is the risk that the government of a particular country will act in a manner that causes volatility within the global financial markets. Realized political risk has the potential to influence market movements in a positive as well as negative manner.
- **Terrorism Risk** — Terrorism risk is the risk associated with the occurrence of a terrorist event that could cause temporary market destabilization and artificially increase market volatility.
- **Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **Derivatives** — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expense, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Derivative securities are subject to a number of risks, including:
  - Liquidity
  - Interest rate risk
  - Political/Legislative risk
  - Market risk
  - Credit and management risks
  - Business valuation risk

Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the Fund could lose more than the principal amount.

Exchange-traded funds face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at a premium or discount to its "net asset value."

As you may know, stock and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets. However, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

Securities are:

- not FDIC insured;
- not a deposit;
- may lose value;
- not bank guaranteed; and
- not insured by any federal government entity.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9      Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us. This statement applies to INOVE, and every employee providing investment advice to Clients.

Item 10 Other Financial Industry Activities and Affiliations

INOVE is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator, commodity trading advisor or insurance agency . The President and CEO, Toussaint D. Gaskins, is no longer licensed as a registered representative and registered equity trader, nor insurance agent with any company. Mr. Gaskins and INOVE do not receive commissions from brokerage transactions.

In the future, INOVE reserves the right to establish an affiliated insurance agency to service the estate planning and risk management needs of their clients.

INOVE has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

INOVE does not have any affiliation with product sales firms.

### **Code of Ethics**

INOVE has in place a Code of Ethics that provides for INOVE employees to exercise its fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. INOVE takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as INOVE's policies and procedures.

The Code of Ethics (the "Code") has been adopted by INOVE and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Code establishes rules of conduct for all employees of INOVE and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that INOVE and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by INOVE continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Pursuant to Section 206 of the Advisers Act, both INOVE and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone.

In meeting its fiduciary responsibilities to its clients, INOVE expects every employee to demonstrate the highest standards of ethical conduct for continued employment with INOVE. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with INOVE. INOVE employees are urged to seek the advice of the Chief Compliance Officer for any questions about the Code or the application of the Code to their individual circumstances. A material breach of the provisions of the Code by an employee may constitute grounds for disciplinary action, including termination of employment with INOVE.

### **Privacy Policy**

INOVE recognizes and respects the privacy of each of its customers and their expectations for confidentiality. The protection of customer information is of fundamental importance in our operation and INOVE takes seriously its responsibility to protect nonpublic personal information.

INOVE collects, retains and uses information that assists INOVE in providing the best service possible. This information comes from the following sources:

- Account agreements and other required forms
- Written, oral, electronic or telephonic communications and
- Account and transaction histories with us, our affiliates, or others

INOVE does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. INOVE restricts access to nonpublic personal information about you to those employees, affiliates, and service providers who need to know that information to provide

INOVE products or services to you. INOVE requires that these entities limit the use of the information provided to the purposes for which it was disclosed and as permitted by law.

INOVE maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

### **Participation or Interest in Client Transactions and Personal Trading**

It is the express policy of INOVE that no person employed by INOVE may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. INOVE employees may buy or sell securities identical to those recommended to customers for their personal accounts. As these situations represent a conflict of interest, INOVE has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of INOVE shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of INOVE shall prefer his or her own interest to that of the advisory client.
- 2) INOVE maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of INOVE.
- 3) INOVE emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where INOVE is granted discretionary authority of the client's account.
- 4) INOVE emphasizes the unrestricted right of the client to select and choose any broker or dealer, and/or insurance company(s) he/she wishes.
- 5) INOVE requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 6) Any individual not in observance of the above may be subject to termination.

### **Selecting Custodial Firms**

INOVE does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. INOVE will direct all brokerage to the broker-dealer, which has introduced the Client or has been specified by the Client. In the absence of a directed brokerage program or designated custodian, INOVE may recommend, but Client will select custodian, broker and/or dealer to handle all investments and transactions.

We will recommend the use a number of unaffiliated broker dealers, among them may be Scottrade, TD Ameritrade, Fidelity Brokerage Services and Charles Schwab & Co., Inc. All firms are members of FINRA and SIPC. While we may recommend that you use Scottrade, TD Ameritrade, Fidelity or Schwab as custodian, the client will decide whether to do so and will open their account with their chosen custodian by entering into an account agreement directly with them.

We seek to use a custodian who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment tools and technology which INOVE may purchase or license at current retail prices
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability

INOVE does not receive fees or commissions from any of these arrangements.

### **Best Execution**

In selecting clearing firms, we evaluate all the services offered, the quality of those services and the cost indirectly borne by clients to determine if the clearing firm provides overall quality of services for the price. While we have attempted to negotiate favorable commission rates for transactions and believe that each clearing firm offers competitive commission rates, we do not otherwise seek to obtain the best combination of price and execution with respect to account asset allocation model transactions. We will periodically compare clearing firm services and prices against other broker-dealers qualified to provide comparable services. While another broker-dealer may offer these services at a lower overall cost, INOVE is not required to move all accounts to that broker-dealer.

### **Retirement Plan Investment Management Services**

Plan sponsors select the clearing and custodian broker-dealer of their choice. INOVE will follow the requirements of the plan sponsor directed brokerage program. In the absence of a directed brokerage program or designated custodian, INOVE may recommend, but Client will select custodian, broker and/or dealer to handle all investments and transactions.

### **Soft Dollars**

INOVE has no formal soft dollar arrangements and does not use soft dollars to acquire any research services. In the future, custodian firms may offer services to INOVE including custody of client securities; trade execution; clearance and settlement of transactions; access to platform systems; duplicate client statements; research-related products and tools; access to a trading desk; access to block trading, which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services.

### **Order Aggregation**

Client orders executed may be aggregated to achieve best execution. INOVE does not specifically request that trades be aggregated.

INOVE client accounts are reviewed by the advisory personnel of INOVE. INOVE Model Investment Portfolio Strategy (“iMIPS”) accounts are monitored on an ongoing basis. Accounts are rebalanced or assets reallocated based on market or other conditions as warranted. Securities we buy or sell for accounts are subject to our discretionary authority. Changes in the asset allocation models, which include adding, removing or replacing securities at the recommendation of INOVE, are made infrequently, based on significant changes in the economic, financial or political climate; changes in the tax code; and the management of the securities used by the asset allocation model. Changes may also be made based on the client’s personal circumstances, including health, employment and family status, or restrictions that the client may place on the investments in the account.

INOVE, on a weekly basis, reviews economic, tax, financial, political, social and other relevant issues and to determine if any changes in strategy, portfolio specific and client specific strategy, are warranted and, if so, to implement such changes.

On at least an annual basis, INOVE contacts iMIPS clients to update their personal and financial information including health, employment, marital and family status, time horizon, goals and objectives, and risk tolerance. INOVE then uses the information to determine if there are any changes that could impact the ongoing suitability of the account. Clients may request a review at any time as well.

Non-iMIPS accounts and financial planning clients are monitored periodically where consistent with the INOVE financial plan and client instructions.

### **Retirement Plan Investment Management Services**

Retirement plan assets are monitored on an ongoing basis. Plan assets are rebalanced or reallocated based on market or other conditions as warranted. Changes in the asset allocation models, which include adding, removing or replacing securities at the recommendation of INOVE, are made infrequently based on significant changes in the economic, financial or political climate; changes in the tax code; and the management of the securities used by the Investment Option. Changes may be made based on the Plan sponsor’s circumstances or restrictions that they may place on the investments in the account.

**Incoming Referrals**

INOVE does not compensate referring parties for any prospects or clients that are referred to them.

**Outgoing Referrals**

INOVE does not accept referral fees or any form of compensation from other professionals when we refer a prospect or client to them.

**Other Compensation**

INOVE does not receive economic benefit from non-clients for providing investment advice or other advisory services to its clients.

IAM shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. IAM may also provide a written periodic report summarizing account activity and performance. These confirmations and account statements should be reviewed carefully by the client.

**Please Note:** To the extent that IAM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by IAM with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of the IAM's advisory fee calculation.

### **INOVE Model Portfolio Investment Strategies (“iMIPS”)**

Based on a written, signed agreement, clients give INOVE discretionary authority to execute client-approved investment strategies in their accounts. We are granted discretionary authority that allows us to place orders through one of several custodial firms mentioned in Item 12. Clients give us the ability to make the following determinations in accordance with the client’s specified investment objectives without client consultation or consent before a transaction is effected:

- Invest client assets into a diversified mix of asset classes and investment securities primarily in the form of shares of open-end registered investment companies and exchange-traded funds
- Modify or change the mix of asset classes and investment securities within the account
- Rebalance the account periodically

Clients are permitted to impose reasonable restrictions on the management of their accounts. When imposing restrictions, clients may request that particular securities or types of securities not be purchased, or that such securities be sold if held in the account. Clients, however, cannot request that particular securities be purchased for their accounts. Additionally, INOVE has no influence or control over the mix of securities held by any mutual fund or ETF in which client accounts may be invested. We reserve the right, at our sole discretion, to reject any account for which unreasonable or overly restrictive conditions are requested.

### **Risks**

INOVE does not assume market risk on behalf of the client. INOVE does not guarantee the performance of the client’s account or any specific level of performance. Market values of the securities within the account will fluctuate with market conditions. When the account is liquidated, it may be worth more or less than the original amount invested.

### **Trading Authorization**

Once an asset allocation model has been selected, we have discretionary authority to invest the assets in the account. INOVE clients must establish brokerage accounts with one of the custodians mentioned in Item 12 so that we can place securities transactions and maintain assets with a qualified custodian. Transaction costs imposed by any of the clearing/custodial firms are not covered by the INOVE Asset Management fee. The clearing/custodial firms perform all the necessary brokerage services for accounts maintained with them and provide custody services of client assets.

### **Reallocations**

INOVE has the discretionary authority to reallocate assets in client accounts. In a reallocation, we change the target percentages of some or all of the asset classes or types of assets relative to the total account. Accounts are monitored on an ongoing basis and assets reallocated based on market or other conditions, as warranted. Changes in the asset allocation model, which include adding, removing or replacing securities at the discretion of INOVE, are made based on significant changes in the economic, financial or political climate; changes in the tax code; the management of the securities used by the asset

allocation model; and/or the client's personal circumstances, including health, employment and family status. INOVE may replace a particular security (or securities), if it significantly diverges from its relevant index in terms of risk or return, with a security that is more in line with the risk/return profile of the relevant index or if there is a different security that, in our opinion, would be better suited. Reallocations occur with less frequency than rebalancing. When INOVE reallocates accounts, it generally does so in anticipation of the impact that expected long-term market volatility could have on specific asset classes or types. Clients are notified of reallocations after the transactions are made.

### **Rebalancing**

Each client's account is invested in accordance with the client's asset allocation strategy and selected iMIPS. At the inception of an account, client assets are invested in specific asset types including mutual funds and/or ETFs that invest in a variety of equity securities, fixed income or cash instruments. Amounts invested in each asset type are determined in accordance with set target percentages of total assets in the account. Afterwards, as markets fluctuate and values change, amounts originally allocated to an asset type will either exceed or fall below the original target allocations. We periodically adjust account holdings back to the original asset targets, or "rebalance" the account. We do not rebalance accounts constantly, and asset allocations may drift away from their original target percentages before INOVE, within our authority and judgment, brings those allocations back in line to the original percentages. In a sense, when we rebalance an account, we sell holdings that are, or may be approaching, or is currently at, or have exceeded fair market value to buy other holdings that may be undervalued. The investment philosophy of our iMIPS is to be positioned in various asset classes and investment management styles so that when the asset class or investment management style becomes relatively fairly valued, the account is positioned to take advantage of other relatively undervalued investment opportunities.

### **Liquidations**

INOVE will accept and follow all liquidation instructions given by clients and seek to execute client orders in a timely manner on a best efforts basis. Occasionally, due to market conditions and time constraints imposed by custodial firms, trades may be executed the following business day. In handling liquidations and purchases, we will execute transactions without regard to pending dividend or capital gains distributions, stock splits, mergers or other corporate or financial events.

### **Contributions**

Contributed cash or money market fund shares in client accounts may remain uninvested in securities for a period of time. INOVE invests liquid assets in an orderly manner and seeks to become fully invested as soon as possible. Although clients may deposit freely tradable securities in their accounts to meet the INOVE minimum account size, we will liquidate those securities positions and invest the proceeds in securities matching the client's selected investment strategy. Tax consequences associated with this liquidation and reinvestment process will likely occur, and clients should consult with their tax professionals before depositing securities in their INOVE accounts. INOVE does not provide legal or tax advice to clients. Clients are advised to discuss the possible legal or tax consequences of their investment decisions with their legal or tax advisors prior to effecting any transaction.

## **Retirement Plan Investment Management Services**

### **Reallocations**

Under the ERISA Investment Advisory Agreement, INOVE has the discretionary authority to change the asset allocation model for each Investment Option and its Underlying Investments. Investment Options are monitored on an ongoing basis and reallocations are made based on market or other conditions, as warranted. Changes in the model are made based on significant changes in the economic, financial or political climate; the management of the securities used by the asset allocation model; and/or the Plan client's circumstances. We will recommend that the Plan sponsor replace an Underlying Fund from the Plan's investment menu if it significantly diverges from its relevant index in terms of risk or return with another Underlying Fund that is more in line with the risk/return profile of the relevant index.

Reallocations occur with less frequency than rebalancing. When we make reallocations, we generally do it in anticipation of the impact that expected long-term market volatility could have on specific asset classes or types. Plan sponsors are notified of reallocations after the transactions are made.

### **Rebalancing**

Each Investment Option is invested in a mix of Underlying Funds in accordance with the corresponding asset allocation model approved by the Plan sponsor and the target allocation percentages determined by that model. As markets fluctuate and values change, the actual percentage allocations of some or all of the Underlying Funds for the Investment Option will either exceed or fall below the original target percentage allocations. At our discretion, we may periodically rebalance an Investment Option's holdings in Underlying Funds to return the Investment Option to its original target percentage allocations.

However, we do not rebalance Investment Options constantly. Actual percentage allocations may drift away from their original target percentage allocations before INOVE, within our authority and judgment based on market or other conditions as warranted, brings those allocations back in line to the original target percentage allocations. In a sense, when we rebalance an account, we sell holdings that are, or may be approaching, or is currently at, or have exceeded fair market value to buy other holdings that may be undervalued. The investment philosophy of our iMIPS is to be positioned in various asset classes and investment management styles so that when the asset class or investment management style becomes relatively fairly valued, the account is positioned to take advantage of other relatively undervalued investment opportunities.

Item 17 Voting *Client* Securities

IAM does not accept proxy voting responsibility for client accounts. Therefore, we have no obligation or authority to take action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held by client accounts. We expect clients to expressly retain the authority and responsibility for proxy voting. With respect to accounts, we generally expect the fund sponsor to expressly retain the authority and responsibility for proxy voting and to specify, in writing, who has voting authority. All clients will receive proxies directly from the custodian firm.

In addition, IAM shall not take any action with regard to any legal proceedings, including bankruptcies or class actions, involving securities held in or formerly held in the Account or the issuers of those securities.

IAM does not solicit fees of more than \$500, per client, six months or more in advance. IAM is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. IAM has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The firm's Chief Compliance Officer, Toussaint D. Gaskins, remains available to address any questions that a client or prospective client may have regarding the above disclosures.**

### **Education and Business Background and Standards**

IAM requires those involved in determining or providing investment advice to clients to meet certain general standards of educational and business experience. Generally, IAM requires that employees have at least a college education and a minimum of three years of industry related experience or other substantially equal qualifying experience. IAM senior management reserves total discretion when applying these standards. In addition, IAM requires successful completion of any applicable FINRA and state required examinations. IAM also encourages its personnel to obtain applicable professional designations.

### **Principal Manager**

Toussaint DuBois Gaskins  
Founder, President & CEO

### **Educational Background and Business Experience**

**Year of Birth:** 1969

**Formal Education:** Bachelor of Arts in Business Administration from Morehouse College

**Business Background:** Toussaint Gaskins has been in the investment advisory business for 20 years. He founded INOVE Asset Management (“IAM”) in 2010. He is also author of **The Personal Finance Kit: The Practical Financial Management Resource Guide.**

### **Employment History:**

- 2010 – Present, Founder, President & CEO, INOVE Asset Management. Advises institutional and private clients in management consulting, policy analysis, retirement plan design, asset management, comprehensive financial planning, retirement planning, estate planning, risk management and portfolio diversification.
- 2009 – 2010, Public Policy Adviser to the 28<sup>th</sup> Legislature of the U.S. Virgin Islands. Provided advice and counsel in the areas of finance, health, economics and other legislative initiatives.
- 2008 – 2009, Principal, WallStreet\*E Financial Services. Advises institutional and private clients in asset management, retirement planning, estate planning, risk management and portfolio diversification.
- 2007 – 2007, Managing Director and Co-Founder, Black Knight Asset Management. Advises not-for-profit corporations, public and private institutional clients, Taft-Hartley plans, endowments, foundations, and accredited investors.
- 2006 – 2007, Managing Director, SBK-Brooks Investment Corp. Advises upon and implements strategies for Municipalities, Corporations and Financial Institutions in the areas of Investment

Banking, Public Finance, Institutional Equity Research and Trade Best Execution.

- 2002-2005, Vice President, Director of Marketing & Institutional Client Services, Profit Investment Management. An investment advisory firm providing investment management services to for-profit and not-for-profit corporations, public and private institutional clients, Taft-Hartley plans, endowments, foundations, and high-net-worth individuals and families.
- 1999 – 2002, Principal, DCM International. A management consulting and financial advisory company providing specialized advisory services to technology related small businesses, start-up firms and Pre-IPO companies.
- 1995 – 1999, Member Private Client Group, Legg Mason Wood Walker. Advised institutional and private clients in asset management, retirement planning, estate planning, risk analysis and portfolio diversification.

### **Disciplinary Information**

Like all Registered Investment Advisors, we are required to disclose all material facts regarding any legal or disciplinary events that could materially influence your evaluation of your advisor.

Toussaint Gaskins has no legal or disciplinary events to report.

### **Other Business Related Activities**

Toussaint Gaskins has previously been registered with FINRA holding the Series 7, 55, 63 & 66 registrations and previously maintained a US Virgin Islands Insurance License. He does not maintain any active FINRA registrations with a registered broker dealer nor active insurance license. Mr. Gaskins does not receive any revenue from other any financial services company.