

# Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

July 31, 2021

This Brochure provides information about the qualifications and business practices of Smith Asset Management Group, L.P. (“Smith Group”). If you have any questions about the contents of this Brochure, please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Smith Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of Smith Group provide you with information about which you determine to hire or retain Smith Group.

Additional information about Smith Group is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Summary of material changes:

The acquisition of certain assets of Smith Group Asset Management (CRD# 106301) by Cantor Fitzgerald Investment Advisors, LP (CRD# 159296) closed on July 1, 2021.

This brochure reflects the transaction and the corresponding changes to Smith Group Asset Management, LP.

Currently, our Brochure may be requested by contacting John D. Brim, CFA at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com). Our Brochure is also available on our web site [www.smithasset.com](http://www.smithasset.com), free of charge.

### Item 3 -Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes .....	ii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	3
Item 7 – Types of Clients .....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information .....	7
Item 10 – Other Financial Industry Activities and Affiliations .....	7
Item 11 – Code of Ethics .....	7
Item 12 – Brokerage Practices .....	8
Item 13 – Review of Accounts .....	11
Item 14 – Client Referrals and Other Compensation .....	11
Item 15 – Custody .....	12
Item 16 – Investment Discretion .....	12
Item 17 – Voting Client Securities.....	13
Item 18 – Financial Information.....	22
Brochure Supplement(s)	
Privacy Policy	

## Item 4 – Advisory Business

Smith Group is a registered investment advisory firm established in 1995.

Smith Group focuses on providing equity investment advisory services. Smith Group manages the investment and reinvestment of clients' assets through the investment in various securities including equities, and, in certain cases, money market instruments.

Subsequent to the July 1, 2021 transaction, the firm manages assets for a limited number of Public Fund clients.

Smith Group's principal owners (those owning more than 25% of the firm) are Smith Group Employee Partners I, LLC and Smith Group Employee Partners II, LLC. Stephen Spencer Smith, CFA, Founder, Chief Executive Officer and Chief Investment Officer of Smith Group is a principal owner of Smith Group Employee Partners I, LLC.

Smith Group uses a team of portfolio managers to provide advisory services to clients. Because Smith Group is primarily in the business of managing equity portfolios, the typical investment objective of our clients is to produce investment performance that exceeds that of a stock market benchmark. To ensure that portfolios are consistently managed, a model portfolio approach is generally utilized and all clients utilizing the same investment strategy receive similar securities with appropriate consideration given to any client's specific restrictions and tailored needs.

As of June 30, 2021, Smith Group's assets under management and advisement were:

	<u>U.S. Dollar Amount</u>
Managed on a discretionary basis	\$ 86,618,190
Managed on a non-discretionary basis	\$ 0
Assets under Advisement	<u>\$ 0</u>

## Item 5 – Fees and Compensation

Clients pay Smith Group a fee for managing portfolios (the "Advisory Fee") which is based upon the market value of the portfolio, including cash equivalents, as determined at the close of the last day of each quarter. The Advisory Fee will be computed quarterly in arrears and the client will either authorize Smith Group to withdraw the fees from the portfolio or will be billed for the fee.

Clients pay according to the fee schedule as specified in their Investment Advisory Agreement. Based on the mandate size and client servicing requirements, fees may be negotiated to a level

lower than the Maximum Advisory fee schedule outlined below. Fees charged for separate accounts are based on the assets under management and are negotiated between Smith Group and the client.

Maximum Advisory Fee Schedules (per annum) are as follows:

Global Large Cap Equity/International Large Cap Equity

Fee Type	Fee Structure
Management Fee Only	1.00% on first \$10 million 0.75% on next \$15 million 0.50% all over \$25 million

Smith Group fees are exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses which may be charged by non-affiliated firms to transact trades and provide custodial services to the client.

Such charges, fees, and commissions are exclusive of and in addition to Smith Group's fee, and Smith Group does not receive any portion of these commissions, fees, and costs.

Portfolio values are computed monthly based on the month end market value and multiplied by the applicable percentage/basis points. This amount is then divided by twelve (12) and deducted from the portfolio value, unless the client chooses to be billed for the fee. All fees and payment specifications are detailed in the client's investment advisory agreement

Item 12 further describes the factors that Smith Group considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### Most Favored Nation Clauses for Institutional Separate Accounts

Certain Institutional Separate Account clients have negotiated "most favored nation" clauses in their investment advisory agreements with Smith Group. These clauses may require Smith Group to decrease the fees charged to the "most favored nation" client whenever Smith Group enters into an advisory agreement at a lower fee rate with another Institutional Separate Account client. The applicability of a "most favored nation" clause may depend on the degree of similarity between institutional clients, including reporting requirements, investment restrictions, the amount of assets under management and the particular investment strategy selected by each client. Smith Group does not agree to "most favored nation" clauses in most circumstances.

### Services to Employees, Family and Friends of Smith Group

In most cases, Smith Group provides portfolio management services to Smith Group, Smith Group affiliates, Smith Group principals, employees, and their family members and friends without charge, or for fee rates that are lower than the rates available to other clients. Smith Group's employees are also eligible to invest in certain other pooled investment vehicles advised by Smith Group, despite the fact that Smith Group's employees may not otherwise satisfy the eligibility requirements for investment in these pooled vehicles. Furthermore, in most cases, Smith Group chooses to waive applicable performance-based fees with respect to assets invested by Smith Group's principals, affiliates, employees, and their family members and friends.

### Termination

Clients shall have the right to terminate the Investment Advisory Contract ("Agreement"), without penalty, at any time within five (5) business days after the effective date of the Agreement. Thereafter, either party may terminate the Agreement upon thirty (30) days written notice to the other party by certified or registered mail to the address set forth in the contract. In the event the Agreement is terminated, and the client has advanced any fees which have not been earned as of the effective date of termination, such unearned fees shall be refunded to the client.

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

Performance Based fees are not utilized with current client. This section will be amended should that change.

## **Item 7 – Types of Clients**

Smith Group currently provides portfolio management services to Public Pension plans. In the future, Smith Group may seek to provide services to individuals, high net worth individuals, banking and thrift institutions, investment companies including mutual funds, corporate pension and profit-sharing plans, multi-employer plans, other pooled investment vehicles, charitable institutions, corporations and businesses not listed above, state or municipal government entities, WRAP platforms and UMA's.

Smith Group principals, employees and affiliates may invest in Smith Group managed strategies, mutual funds and private funds which could create an incentive for Smith Group to favor those accounts over other clients. Although a potential for conflict of interest does exist, Smith Group maintains policies and procedures designed to mitigate these conflicts.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Principal Investment Strategy: Growth, Core/Growth oriented strategies – Global Large Cap Equity, International Large Cap Equity:

The specialized investment philosophy employed by Smith Group dates back to the late 1970s, at which time Stephen S. Smith, CFA, participated in a study in conjunction with several researchers from the Finance Department of the University of North Carolina. The study focused on determining the market's efficiency in the pricing of companies that report earnings greater than investor expectations, also known as an earnings surprise. The conclusion was that the market was inefficient in its pricing of earnings surprises and excess return could be gained by investing in stocks that report an earnings surprise.

Smith Group applies an engineering approach to investment management. By leveraging technology and fundamental research, we identify companies with undiscovered growth potential, creating portfolios designed to produce attractive return patterns. Using both quantitative and qualitative analysis, we invest in high quality companies poised to accelerate earnings growth and exceed investor expectations.

Smith Group invests, under normal market conditions, in common stocks and other equity securities. These securities may be traded over the counter or listed on an exchange.

When selecting investments, Smith Group employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. The security selection process consists of three steps. Beginning with a universe of stocks appropriate for the objectives of the investment strategy, Smith Group's investment team first conducts a series of risk control and valuation screens designed to eliminate those stocks that are more likely to underperform the market. Stocks that pass the initial screens are then evaluated using a proprietary methodology that attempts to identify stocks with the highest probability of producing an earnings growth rate that exceeds investor expectations. In other words, the investment team seeks to identify stocks that are well positioned to benefit from a positive earnings surprise. The first two screening steps produce a list of eligible companies that may be subjected to traditional fundamental analysis to further understand each company's business prospects, earnings potential, strength of management and competitive positioning. The investment team uses the results of this analysis to construct the portfolio for the Fund or client accounts.

The same systematic approach utilized in portfolio construction is utilized in rebalancing and Smith Group employs systematic and fundamental analyses to evaluate portfolio holdings.

Holdings in the portfolio become candidates for sale if the investment team identifies negative investment or performance characteristics. Reasons to sell a stock may include:

negative earnings forecast or report, valuation concerns, company official's downward guidance on company performance or earnings, or announcement of a buyout.

Principal Risks of Investing in Smith Group's investment portfolios

**Equity Securities Risk:** Since the portfolios predominantly hold equity securities, the portfolios are subject to the risk that equity security prices will fall over short or extended periods of time. Price volatility is the principal risk of investing in the portfolios. You could lose all or some of your investment in the portfolio. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of bankruptcy.

**Market Risk:** All portfolios are also subject to the risk that their primary market segment may underperform other market segments or the equity markets as a whole. Moreover, Smith Group's investment approach may be contrary to general investment opinion at times or otherwise fail to produce the desired result, causing the portfolio securities to underperform securities that also seek capital appreciation but use different approaches to select stocks.

**Large Cap Company Risk:** Investment in larger companies is subject to the risk that larger companies are sometimes unable to attain the high growth rates of successful, smaller companies, especially during extended periods of economic expansion.

**Liquidity Risk –** Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices or to sell the investment in a timely manner or at an acceptable price.

**Economic Risk –** The value of an account's investments may decline due to changes in general economic and market conditions. The value of a security held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, pandemic events, political and legal developments, changes in Federal Reserve policy, and general market volatility.

**Growth Investment Risk:** A principal risk of growth stocks is that investors expect growth companies to increase their earnings at a certain rate that is generally higher than the rate expected for other companies. If a growth company does not meet these expectations, the price of its stock may decline significantly, even if it has increased earnings. Growth companies also typically do not pay dividends. Companies that pay dividends may experience less significant stock price declines during market downturns.

**Foreign Investment Risk:** Investment strategies that make foreign investments are subject to special risks not typically associated with U.S. stocks. These stocks may underperform other types of stocks, and they may not increase or may decline in value. Investing in issuers headquartered or otherwise located in foreign countries poses additional risks since political and economic



events unique to a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States.

**Currency Risk:** Investments are generally subject to the risk that the value of a particular currency will change in relation to one or more other currencies, particularly when an investment is denominated in a currency other than a client's home currency or when a company's revenue or operating expenses are subject to fluctuating exchange rates. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may, from time to time, take actions with respect to their currencies that could significantly affect the value of a client's assets denominated in those currencies or the liquidity of such investments. For example, a foreign government may unilaterally devalue its currency against other currencies, which would typically have the effect of reducing the U.S. dollar value of investments denominated in that currency. A foreign government may also limit the convertibility or repatriation of its currency or assets denominated in that currency.

**Cybersecurity Risk:** Smith Group, the clients' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the clients and the accounts, despite the efforts of Smith Group and the clients' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the clients and the investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Smith Group, the clients' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Smith Group's systems to disclose sensitive information in order to gain access to Smith Group's data or that of the clients. A successful penetration or circumvention of the security of Smith Group's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Smith Group, the clients or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the companies in which clients invest, which could have material adverse consequences for such companies, and may cause a client's investments to lose value.

**Geopolitical Risk:** The investment strategies are subject to the risk that war, terrorism, a pandemic and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of a client's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short term

market volatility and may have adverse long-term effects on U.S. and non-U.S. economies and markets generally. Those events as well as other changes in U.S. and non-U.S. economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a client's investments. At such times, a client's exposure to a number of other risks described elsewhere in this section can increase.

**Risk of Loss:** The portfolios should only be purchased by investors seeking capital appreciation who can withstand the share price volatility of equity investing. Investing in securities involves risk of loss that clients should be prepared to bear.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

The acquisition of certain assets of Smith Group Asset Management (CRD# 106301) by Cantor Fitzgerald Investment Advisors, LP (CRD# 159296) closed on July 1, 2021. A new Registered Investment Advisor was formed, Smith Group Asset Management, LLC (CRD# 313265). In conjunction with the close of the transaction, a secondment agreement was signed between the two organizations such that the employees of Smith Group Asset Management, LLC could continue to manage the assets for a limited number of Public Pension plans in the Smith Asset Management Group International Equity Strategy on behalf of Smith Asset Management Group, LP.

Various Smith Group Management officers and employees are personally invested in the Saratoga International Equity Mutual Fund, a fund in which Smith Group Asset Management, LLC serves as the sub-advisor. Additionally, various employees invest in the Smith Group Small Cap Diversified Growth strategy through the Smith Group Asset Management, LP Employee 401k. Finally, employees do invest in the Smith Group Dividend Growth strategy via an investment platform which has access to certain Smith Group strategies. Accordingly, Smith Group Asset Management, LP is deemed to be a related person to these Funds.

### **Item 11 – Code of Ethics**

Smith Group operates for the purpose of providing investment management services to its clients. The firm has a code of ethics ("Code") that governs the behavior of its employees. An important element of the Code is to ensure that client benefit overrides employee benefit in the area of obtaining a profit from investment ideas developed by Smith Group. The Code details

the employee reporting and approval mechanism used to monitor the activities of employees. Occasionally employees may buy and/or sell securities for their own account when Smith Group holds the same securities in its clients' accounts. This practice is allowed as long as (a) proper documentation of this trading is reported and (b) the trading does not have a detrimental impact on any client's account and (c) all personal trading policies and procedures have been adhered to.

In an effort to minimize any potential impact employee trading may have on client accounts, Smith Group has placed several restrictions on the trading activities of employees. Smith Group employees, directors and officers (each an "Access Person"), may purchase or sell securities within the parameters for personal securities transactions stipulated in the Code. In addition, an Access Person must comply with the blackout period restrictions detailed in the Code. Generally, the blackout period restrictions prevent an Access Person from purchasing or selling, either directly or indirectly, any security in which the person had any beneficial ownership where the person knew that the security was being considered for purchase or sale by Smith Group on behalf of its clients or was being purchased or sold by Smith Group on behalf of its clients. The blackout period extends seven calendar days before and after the time that the Smith Group investment team has implemented a model change for the same (or a related) security or the person has issued an investment recommendation for the model regarding that (or a related) security.

A copy of Smith Group's Code is available to clients and prospective clients upon request.

## **Item 12 – Brokerage Practices**

### **Brokerage Discretion**

Smith Group makes investment decisions and arranges for the placement of buy and sell orders and the execution of portfolio transactions for each of the Funds and all other discretionary client accounts.

Smith Group in its sole discretion, unless otherwise provided, directs the execution of all securities transactions through broker-dealer firms of its own choosing. In some instances, clients may direct Smith Group, in writing, to place orders for execution whenever practicable with a specifically identified broker-dealer. If a client elects to direct securities transactions to a particular broker-dealer, Smith Group may not be able to obtain best execution and may not have the flexibility to negotiate commissions, which may result in increased commissions for that client.

Smith Group uses its best efforts to obtain execution of securities transactions at prices that are advantageous to the client and a reasonable, competitive commission rate. In choosing broker-dealers for execution of securities transactions, Smith Group considers various relevant factors, including without limitations, the size and type of the transactions, the nature and character of

the market for the securities, the broker-dealer firm's financial stability, confidentiality, back office capabilities, trading desk capabilities, referrals, custody, settlement, familiarity with derivative securities strategies and the overall value and quality of the services offered by the broker dealer firm.

#### Soft Dollars

Smith Group does not currently utilize Soft Dollars.

#### Trade Allocations

Smith Group has adopted a trade allocation policy ("Policy") to promote fair and equitable treatment for the advisory clients of Smith Group. The Policy applies to the allocation of securities purchased or sold by Smith Group on behalf of its clients, including those purchased or sold through an aggregation ("bunching") of trades. The Policy is designed to minimize the risk that any particular client would be systematically advantaged or disadvantaged by the allocation of trades among clients. Smith Group may aggregate trade orders for clients if Smith Group deems it appropriate to do so and if such practices are not inconsistent with disclosures made to clients. Smith Group may consider various factors when determining whether an investment is appropriate for allocation, including, but not limited to: (i) the investment objectives of the client; (ii) the potential investment needs of the client; (iii) the existing diversification of the portfolio; (iv) existing levels of portfolio ownership in the investment and in similar types of companies; and (v) liquidity factors, including the availability of cash to fund the investment. Smith Group will typically make preliminary allocation determinations before placing a block order.

If a pre-allocated block trade is partially filled, Smith Group will allocate the securities among participating client accounts in the pre-allocation on a pro rata basis. Accounts in which Smith Group or any officer, partner or employee of Smith Group has a beneficial interest that in the aggregate exceeds 10% of the net assets of such account ("Affiliated Accounts") may not participate in partial executions of a pre-allocated security transaction until after all non-affiliated, participating client accounts have been filled.

If a complete execution of a pre-allocated block trade occurs on a trade date, the purchased or sold securities will be allocated among the applicable accounts in accordance with the pre-determined allocation at a single average execution price, before taking into consideration the commission, mark-up or mark-down. Affiliated Accounts may participate in a complete execution of a pre-allocated block trade with unaffiliated client accounts if the Affiliated Accounts participate at the same average execution price as the client accounts, before taking into consideration the commission, mark-up or mark-down.

In some instances, Smith Group may not make preliminary allocations prior to placing a trade order. In such instances, Smith Group will allocate those securities among suitable client accounts in an equitable manner, taking into account such factors as it deems appropriate. If there is a "partial fill" of client portfolio needs, Smith Group will allocate the order among client

portfolios on a *pro rata* basis. However, Affiliated Accounts, including the Funds, may not participate in partial executions until after all non-affiliated client accounts have been filled.

For the purposes of the policy, *pro rata* trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's relative net assets.

### Cross Trading

It is Smith Group's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Effective January 2019, Smith Group will not consent to broker initiated cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

### Directed Brokerage

Smith Group seeks to implement all transactions in a manner consistent with best execution practices. Smith Group selects brokers based on their ability to provide the lowest available net execution price as well as efficient back office operations such as clearing and settling of trades. Smith Group will generally aggregate directed orders into a block order and use step-outs to satisfy certain clients' restrictions to direct brokerage to preferred broker-dealers. In a step-out arrangement, Smith Group selects a broker to execute the block order and requires the executing broker to step-out a portion of the brokerage commissions to another broker. Step-outs permit Smith Group to seek to achieve best execution and the orderly transaction of the block trade, and at the same time satisfy client restrictions with regard to the direction of brokerage to desired broker-dealers. Smith Group has a substantial number of clients with directed brokerage arrangements.

If a client's broker-dealer is unable to accept a step out, Smith Group implements a trade rotation policy for each trade which determines the timing of order releases. This list is made up of all directed accounts, the discretionary block order and assets under-management (UMA) accounts. For purposes of speed, all clients who share a particular broker are assumed to be a single block on the trade rotation schedule. The execution of trades is rotated among all members of the list. If a trade for a particular rotation is not completed during the trading day, any remaining portion of the trade will be completed on the following day(s) before any trade in the same security may be initiated for the next rotation. WRAP and assets under-management accounts are included as a single member within the main trade rotation and there is a secondary rotation within each group. There is a wide disparity in the implementation time and communication received from various UMA sponsors. If a sponsor notifies Smith Group of the start of their trading activity, provides updates as to the status of their trading activity and notifies Smith Group when trading is completed, orders for the next rotation member will not be released until this communication is received. If the sponsor does not provide this level of communication, the UMA sponsor will be notified of the trade(s) and the trading staff will

determine the appropriate time to release orders for the next member in the rotation. After the trades have been completed, the schedule is moved up in order and the next broker is put first on the list for the next implementation of trades.

If a client decides to direct where its brokerage is placed by Smith Group, the client should consider: (1) Smith Group's brokerage placement practices; (2) a client who directs Smith Group to use a specific broker may pay higher commissions on some transactions that might be attainable by Smith Group, or may receive less favorable execution of some transactions, or both; (3) a client who directs Smith Group may forego any benefit from savings on execution costs that Smith Group could obtain for its clients through negotiating volume discount on batched transactions; (4) a client who directs Smith Group may restrict Smith Group from receiving research-related products and services available from other brokers; and (5) clients directing commission may not generate returns equal to clients which do not direct commissions.

## **Item 13 – Review of Accounts**

### Review of accounts

Smith Group uses a team of portfolio managers to review the client accounts. Smith Group's portfolio managers work together to review all client accounts on a regular basis, at least quarterly. Most if not all accounts will be reviewed more frequently, as often as daily. Among other things, the reviewers evaluate the composition of the portfolios relative to the benchmark and review tracking error, risk and other statistics. They have access to a proprietary daily risk assessment report that monitors each portfolio's growth and valuation characteristics along with the largest over weighted and underweighted positions relative to the benchmark. Portfolio managers also utilize external risk tools to conduct portfolio risk assessments.

### Reporting

Smith Group will provide comprehensive portfolio performance reports to clients quarterly, unless otherwise agreed upon with the client. These reports typically contain (1) a list of the assets held, (2) a report of the investment performance, and (3) information to help explain the performance. Such reports are usually sent to the client in the month after the end of the calendar quarters March, June, September, and December.

## **Item 14 – Client Referrals and Other Compensation**

In addition to its own internal marketing efforts, Smith Group has in the past and may enter into written agreements in the future with other third-party marketers, and pays compensation to any person or organization which the firm determines is instrumental to the acquisition and/or

servicing of a client relationship. This payment will be borne solely by Smith Group, and will not increase the amount paid by the client for the services provided by Smith Group.

In accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940, as amended, Smith Group requires all third-party marketers to distribute to prospective clients (i) Part 2A & 2B of Form ADV of Smith Group, and (ii) the solicitor's disclosure statement.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Smith Group urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

Smith Group usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Smith Group observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies Smith Group's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Smith Group in writing.

The portfolio managers of Smith Group have discretion as to the stock selection made in client's account including (1) which securities are to be purchased and sold; (2) the amount of the securities to be traded; and (3) the timing for which trades are to be made. However, Smith Group's authority may be restricted by conditions placed by the client. These restrictions could include, but not be limited to, investing in specific companies or industries. Smith Group does not have access to any customer funds or securities since these will be held in custody at the client's selected broker/dealer, commercial bank, or other qualified custodian, with the exception of our private funds where we are deemed to have custody. These funds submit to an annual audit by an intendent CPA firm and are distributed to the limited partners of the Fund within 120 days of the fiscal year end. In addition, neither Smith Group nor any affiliated person trades ahead of any stock selections made on behalf of a client's account.

## Item 17 – Voting Client Securities

Clients may obtain a copy of Smith Group’s complete proxy voting policies and procedures upon request. Clients may also obtain information from Smith Group about how Smith Group voted any proxies on behalf of their account(s).

### Proxy Voting Procedures

Smith Group has a written policy for the voting of proxies. Smith Group believes that voting client proxies is an important tool for maintaining long-term shareholder value for its clients in conjunction with the overall portfolio management process. This policy is designed to ensure that these ideals are effectively maintained in accordance with the client's best interests.

### Voting Responsibility and Oversight

An advisory committee has been established by Smith Group that consists of senior members of the management team as well as senior portfolio managers and the CCO. It is this committee’s responsibility to construct Smith Group’s overall voting guidelines as well as the procedures in order to ensure compliance. The committee meets quarterly to address ongoing issues and adapt guidelines to meet changes in the corporate governance environment.

To ensure proper implementation of Smith Group’s stated proxy guidelines; Smith Group has adopted the following procedures for voting proxies.

- For each client with whom Smith Group has received stated proxy voting authority, as outlined in its advisory contract, the custodial bank or trustee has been instructed to forward proxy materials to Smith Group’s designated third-party proxy vendor.
- Smith Group has contracted with a third-party proxy vendor to help with administrative functions such as collecting and sorting proxy materials and to vote the proxies per stated guidelines.
- Proxy items that do not fall under the stated guidelines set forth by Smith Group are reviewed on a case-by-case basis and voted in the client’s best interest as determined by the proxy committee.

### Conflicts of Interest

There may be certain situations that arise where Smith Group’s interests potentially conflict with the interests of the client. These situations could include:

- Smith Group provides advisory services to public firms that the company also owns in its client’s portfolio.
- Smith Group, its affiliates, and/or its employees have business or personal relationships with public firms that Smith Group also holds in its client portfolios.



- Smith Group may be partially owned by a publicly traded company whose shares may also be held for its client's portfolios.

If these situations arise and management is soliciting proxy votes, the following guidelines will be applied:

If the proxy voting guidelines already determine a course of action, votes will be cast according to the guidelines.

If the proxy item does not fall under the specified guidelines or has been identified to be voted on a case-by-case basis, votes will be cast in accordance with the third-party proxy vendors corporate governance policy. The third-party proxy vendor has been contracted by Smith Group to provide guidance on proxy items determined to be in the best interest of Smith Group's clients.

#### Proxy Voting Record Keeping

Smith Group will maintain records of all policies, procedures and guidelines as well as any amendments or updates. In addition, Smith Group will maintain records of proxy votes recorded for each client and any documentation that was used to determine the basis on which to vote the specific item. Client requests for documentation will also be maintained by Smith Group in order to comply with current rules and regulations governing proxy voting.

## **Item 18 – Financial Information**

Smith Group is required to provide you with certain financial information or disclosures about Smith Group's financial condition. Smith Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Brochure Supplement for  
Stephen S. Smith

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about Stephen S. Smith that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Stephen S. Smith is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

Stephen S. Smith (born 1947) is a founding partner of Smith Group. Since the firm’s founding in 1995, Mr. Smith has served as both Chief Executive Officer and Chief Investment Officer, and recently transitioned the role of Chief Investment Officer to John Brim. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. Mr. Smith began his investment management career as a portfolio manager with Wachovia Bank in 1976. In 1983, he joined the predecessor to Bank of America, where he held a variety of senior investment management positions. His other work includes a stint with NASA as an aerospace engineer. Mr. Smith’s educational background includes a B.S. in Industrial Engineering (graduating with honors) and an M.B.A., both received from the University of Alabama. Mr. Smith was awarded the Chartered Financial Analyst (“CFA”) designation in 1981 and is a member of the CFA Institute. (The requirements to earn a CFA charter include passing all three exam levels of the CFA program and meeting certain professional and ethical requirements.)

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of the Stephen S. Smith that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of Stephen S. Smith that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Mr. Smith's advisory activities on behalf of the firm is the Chief Investment Officer of the firm, John D. Brim. Mr. Brim can be reached at (214) 880-4600. Mr. Smith participates as a member of the firm's investment management team, which generally develops and reviews the firm's investment approach for each of its investment strategies. Mr. Smith's investment advice is monitored by the team. The firm's investment team typically meets weekly.

Brochure Supplement for  
John D. Brim

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about John D. Brim that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about John D. Brim is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Experience**

John D. Brim (born 1967) joined Smith Group in March 1998 is Chief Investment Officer of the firm. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. From April 1997 to March 1998, Mr. Brim was a manager within the Institutional Investment Consulting Group of Deloitte & Touche, LLP. From June 1990 to April 1997, he held a variety of positions, including senior client manager, with NationsBank Asset Management in Dallas. Mr. Brim earned his B.S. in Economics from Texas A&M University. Mr. Brim was awarded the Chartered Financial Analyst ("CFA") designation in 1998 and is a member of the CFA Institute. (The requirements to earn a CFA charter include passing all three exam levels of the CFA program and meeting certain professional and ethical requirements.).

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of the John D. Brim that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of John D. Brim that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Mr. Brim's advisory activities on behalf of the firm is the Chief Executive Officer of the firm, Stephen S. Smith. Mr. Smith can be reached at (214) 880-4600. Mr. Brim participates as a member of the firm's investment management team, which generally develops and reviews the firm's investment approach for each of its investment strategies. Mr. Brim's investment advice is monitored by the team, and the firm's Chief Executive Officer. The firm's investment team typically meets weekly.



Brochure Supplement for  
Christopher Zogg

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about Christopher Zogg that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Christopher Zogg is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2 – Educational Background and Business Experience**

Mr. Zogg joined Smith Group Asset Management in November 1997 and is Director of Domestic Equities and Research. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. Prior to joining Smith Group, Mr. Zogg served as an Independent Computer Consultant, specializing in network design and systems integration. Prior to that, he held the position of Account Executive at Spaeth Communications, a public relations firm. He earned his B.B.A. from the University of Texas at Dallas. Mr. Zogg was awarded the Chartered Financial Analyst (CFA) designation in 2006. He is also a member of the CFA Institute and the CFA Society of Dallas-Ft. Worth.

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, Christopher Zogg or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of the Christopher Zogg that would be material to your evaluation of Smith Group, Christopher Zogg or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of Christopher Zogg that would be material to your evaluation of Smith Group, Christopher Zogg or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Mr. Zogg’s advisory activities on behalf of the firm is the Chief Investment Officer of the firm, John D. Brim. Ms. Brim can be reached at (214) 880-4600. Mr. Zogg participates as a member of the firm’s investment management team, which generally develops and reviews the firm’s investment approach for each of its investment strategies. Mr.

Zogg's investment advice is monitored by the team and the firm President. The firm's investment team typically meets weekly.

Brochure Supplement for  
William Ketterer

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about William Ketterer that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about William Ketterer is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

Mr. Ketterer joined Smith Group Asset Management in January 2007 and is a member of the Portfolio Management team. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. Prior to joining Smith Group, he served as Senior Vice President and Portfolio Manager with The Private Bank at Bank of America from 1999 to 2007. From 1993 to 1999, he worked in corporate development within the healthcare industry. Prior to 1993, he was Vice President and General Manager of a west coast startup. He earned his B.S. in Economics from Miami University, Oxford, Ohio and has completed course work at a number of universities including the University of California, San Diego, the University of Dallas and the University of Texas at Dallas. Mr. Ketterer was awarded the Chartered Financial Analyst (CFA) designation in 2001. Mr. Ketterer is a member of the CFA Institute, the CFA Society of Dallas-Ft. Worth and the DFW Association for Business Economics.

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, William Ketterer or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of the William Ketterer that would-be material to your evaluation of Smith Group, William Ketterer or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of William Ketterer that would-be material to your evaluation of Smith Group, William Ketterer or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Mr. Ketterer's advisory activities on behalf of the firm is the Chief Investment Officer of the firm, John D. Brim. Mr. Brim can be reached at (214) 880-4600. Mr. Ketterer participates as a member of the firm's investment management team, which generally develops and reviews the firm's investment approach for each of its investment strategies. Mr. Ketterer's investment advice is monitored by the team, and the firm's President. The firm's investment team typically meets weekly.

Brochure Supplement for  
Eivind Olsen

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about Eivind Olsen that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Eivind Olsen is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

Mr. Olsen joined Smith Group Asset Management in May 2008 and is a member of the portfolio management team. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. Prior to joining Smith Group, he was a Portfolio Manager with Brazos Capital Management/John McStay Investment Counsel from 1998 to 2008. From 1994 to 1996, he did equity research as an Associate Analyst with Rauscher, Pierce, Refsnes, Inc. He earned a BBA in Accounting and Finance from Texas Christian University and an MBA in Finance from the University of Texas. Mr. Olsen was awarded the Chartered Financial Analyst (CFA) designation in 2001. He is a member of the CFA Institute and the CFA Society of Dallas-Ft. Worth.

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, Eivind Olsen or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of the Eivind Olsen that would be material to your evaluation of Smith Group, Eivind Olsen or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of Eivind Olsen that would be material to your evaluation of Smith Group, Eivind Olsen or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Mr. Olsen’s advisory activities on behalf of the firm is the Chief Investment Officer of the firm, John D. Brim. Mr. Brim can be reached at (214) 880-4600. Mr. Olsen participates as a member of the firm’s investment management team, which generally develops and reviews the firm’s investment approach for each of its investment strategies. Mr. Olsen’s investment advice is monitored by the team, and the firm’s President. The firm’s investment team typically meets weekly.





Brochure Supplement for  
Stephanie Jones

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 31, 2021

This Brochure Supplement provides information about Stephanie Jones that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or [compliance@smithasset.com](mailto:compliance@smithasset.com) if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Stephanie Jones is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

Mrs. Jones joined Smith Group Asset Management in February 2010 and is Director of International Equities. At the close of the transaction with Cantor Fitzgerald Investment Advisors, all Smith Asset Management Group, LP employees became employees of the recently formed RIA, Smith Group Asset Management, LLC. These employees are still able to provide services to Smith Asset Management group, LP clients via a secondment agreement between the two organizations. From 2006 to 2010, she was an Equity Analyst for Cimarron Asset Management, LLC. From 2001 to 2006 she was a Principal for Mercer Human Resource Consulting. Previously she held positions at Halliburton Co., where she was part of the corporate financial and SEC reporting group, and Price Waterhouse, LLP, where she worked as an auditor. Mrs. Jones graduated with a BBA in Accounting from Texas A&M University, and has an MBA with a concentration in Finance from Southern Methodist University. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants (AICPA).

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, Stephanie Jones or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 4- Other Business Activities**

Registered investment advisers are required to disclose all material other business activities of Stephanie Jones that would be material to your evaluation of Smith Group, Stephanie Jones or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 5- Additional Compensation**

Registered investment advisers are required to disclose all material other forms of compensation of Stephanie Jones that would be material to your evaluation of Smith Group, Stephanie Jones or the integrity of Smith Group’s management. Smith Group has no information applicable to this Item.

## **Item 6 - Supervision**

The person responsible for supervising Ms. Jones’ advisory activities on behalf of the firm is the Chief Investment Officer of the firm, John D. Brim. Mr. Brim can be reached at (214) 880-4600. Ms. Jones participates as a member of the firm’s investment management team, which generally

develops and reviews the firm's investment approach for each of its investment strategies. Ms. Jones' investment advice is monitored by the team, and the firm's President. The firm's investment team typically meets weekly.

## Privacy Policy

# Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 30, 2021

### Our Privacy Principles

- We only collect customer information that we need in order to perform our investment management service.
- We do not sell customer information.
- We do not provide customer information to persons or organizations outside our firm for their own marketing purposes.
- We require any person or organization providing services to customers on our behalf to protect the confidentiality of your customer information.
- We afford prospective and former customers the same protections as existing customers with respect to the use of personal information.

### Information We May Collect

To provide our investment management service, we collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications, agreements, or other forms; and
- Information about your transactions with us, or others.

To facilitate trading the securities in your account, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as securities broker-dealers.

We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law, for example, outside auditors.

We may disclose the following information to companies that perform marketing services on our behalf:

- Information we receive from you on applications such as your name.

If you prefer that we not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law or required to facilitate the fulfillment of duties in our role as investment adviser). If you wish to opt out of disclosures to nonaffiliated third parties, you may call Ms. Luci Neumann at (214) 880-4600 and request that your information be removed.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide service to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

## Proxy Voting Policy

# Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150  
Dallas, Texas 75201

214.880.4600

[www.smithasset.com](http://www.smithasset.com)

March 30, 2021

Clients may obtain a copy of Smith Group's complete proxy voting policies and procedures upon request. Clients may also obtain information from Smith Group about how Smith Group voted any proxies on behalf of their account(s).

### **Proxy Voting Procedures**

Smith Group has a written policy for the voting of proxies. Smith Group believes that voting client proxies is an important tool for maintaining long-term shareholder value for its clients in conjunction with the overall portfolio management process. This policy is designed to ensure that these ideals are effectively maintained in accordance with the client's best interests. Smith Asset Management Group, LP

### **Voting Responsibility and Oversight**

An advisory committee has been established by Smith Group that consists of senior members of the management team as well as senior portfolio managers and the CCO. It is this committee's responsibility to construct Smith Group's overall voting guidelines as well as the procedures in order to ensure compliance. The committee meets quarterly to address ongoing issues and adapt guidelines to meet changes in the corporate governance environment.

To ensure proper implementation of Smith Group's stated proxy guidelines; Smith Group has adopted the following procedures for voting proxies.

- For each client with whom Smith Group has received stated proxy voting authority, as outlined in its advisory contract, the custodial bank or trustee has been instructed to forward proxy materials to Smith Group's designated third-party proxy vendor.

- Smith Group has contracted with a third-party proxy vendor to help with administrative functions such as collecting and sorting proxy materials and to vote the proxies per stated guidelines.
- Proxy items that do not fall under the stated guidelines set forth by Smith Group are reviewed on a case-by-case basis and voted in the client's best interest as determined by the proxy committee.

### **Conflicts of Interest**

There may be certain situations that arise where Smith Group's interests potentially conflict with the interests of the client. These situations could include:

- Smith Group provides advisory services to public firms that the company also owns in its client's portfolio.
- Smith Group, its affiliates, and/or its employees have business or personal relationships with public firms that Smith Group also holds in its client portfolios.
- Smith Group may be partially owned by a publicly traded company whose shares may also be held for its client's portfolios.

If these situations arise and management is soliciting proxy votes, the following guidelines will be applied:

If the proxy voting guidelines already determine a course of action, votes will be cast according to the guidelines.

If the proxy item does not fall under the specified guidelines or has been identified to be voted on a case-by-case basis, votes will be cast in accordance with the third-party proxy vendors corporate governance policy. The third-party proxy vendor has been contracted by Smith Group to provide guidance on proxy items determined to be in the best interest of Smith Group's clients.

### **Proxy Voting Record Keeping**

Smith Group will maintain records of all policies, procedures and guidelines as well as any amendments or updates. In addition, Smith Group will maintain records of proxy votes recorded for each client and any documentation that was used to determine the basis on which to vote the specific item. Client requests for documentation will also be maintained by Smith Group in order to comply with current rules and regulations governing proxy voting.