



Item 1 – Cover Page

HALITE PARTNERS, LLC

**5025 Arlington Centre Blvd., Ste. 540
Columbus, OH 43220
614-924-0500
www.halitepartners.com**

This brochure provides information about the qualifications and business practices of Halite Partners, LLC (hereinafter “Halite Partners” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

Since our last Disclosure Brochure filed August 2017, there have been the following material changes:

- Effective January 1, 2018, Norman Cook became the Chief Compliance Officer for the Firm.
- Item 4 – Advisory Business – Added new language related to discretionary assets under management.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4. Advisory Business

Halite Partners offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Halite Partners rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Halite Partners setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Halite Partners filed for registration on June 28, 2017 and is principally owned by Phil Shaffer. As of December 31, 2017, Halite Partners managed \$110,562,528.12 in assets on a discretionary basis.

While this brochure generally describes the business of Halite Partners, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Halite Partners’s behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

Halite Partners offers clients a limited range of financial planning and consulting services. For clients that need more substantial financial planning, the Firm will recommend another investment adviser that specializes in such support. In performing any financial planning and consulting services, Halite Partners is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Halite Partners recommends certain clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Halite Partners or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Halite Partners under a financial planning or consulting engagement, but may have discretion over the assets part of the investment management services, described below. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Halite Partners’s recommendations and/or services.

Investment Management Services

Halite Partners manages client investment portfolios on a discretionary basis. The Firm provides its services to institutions and high net worth individuals. In addition to managing assets, Halite Partners helps clients analyze and prepare to meet spending requirements, achieve draw-down goals and protect assets. Halite Partners primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt securities and equities, options, independent investment managers (“Independent Managers”), and privately placed securities, including interests in pooled investment vehicles such as hedge funds and private equity funds. The investments and services provided are determined in accordance with clients’ stated investment objectives and needs.

Halite Partners tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Halite Partners consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Halite Partners if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Halite Partners determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage Halite Partners to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Halite Partners directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Consulting and Management Services to Pension and Other Retirement Plans

Halite Partners provides services to pension and other retirement plans. The Firm will analyze and provide investment structure to meet liabilities, provide appropriate liquidity, manage investment risk, select investment managers and investment vehicles per the client's Investment Policy Statement. Halite Partners manages customized Liability Driven Investing ("LDI") portfolios versus Custom Liability Indexes ("CLIs") created for each client or asset pool. The Firm is involved in implementing LDI strategies in terms of philosophy, strategy, credit, research, asset management and CLIs. Systems and operations are designed to deliver a turnkey solution to clients.

Use of Independent Managers

As mentioned above, Halite Partners selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. Like a mutual fund which includes the manager's fees in its expenses to the investor, the Independent Manager's fees are separate from those of Halite Partners. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Halite Partners evaluates a variety of information about Independent Managers, which includes direct conversations with the Independent Manager's about their portfolios and investment philosophy, the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Halite Partners also takes into consideration

each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Halite Partners continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Halite Partners seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Item 5. Fees and Compensation

Halite Partners offers services on a fee basis, which includes fixed fees and fees based upon assets under management. The management fees vary depending upon the size and composition of a client's portfolio and the type and amount of services rendered. The maximum asset-based fee rate for clients is 95 basis points (0.95%) *per annum*. In addition, the Firm may negotiate a fixed fee for all or a portion of its services with clients.

The annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by Halite Partners on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Halite Partners may negotiate a fee rate that differs from the range set forth above.

Fee Discretion

Halite Partners may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to Halite Partners, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and

taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12.

Direct Fee Debit

Clients provide Halite Partners and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Halite Partners. Alternatively, clients may elect to have Halite Partners send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to Halite Partners's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Halite Partners, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Halite Partners may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Item 6. Performance-Based Fees and Side-by-Side Management

Halite Partners does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

Halite Partners offers services to institutions such as endowments, foundations, non-profit entities, health systems, religious organizations, pension and profit sharing plans, trusts, estates, and charitable organizations, as well as corporations and other types of business entities. In addition, the Firm also offers services to high net worth individuals.

Minimum Account Value and Fees

As a condition for starting and maintaining an investment management relationship, Halite Partners imposes a minimum portfolio value of \$10,000,000 and/or a minimum fee of \$50,000. Halite Partners may, in its sole discretion, accept clients with smaller portfolios or charge a lesser minimum fee based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account

retention, and pro bono activities. Halite Partners only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Halite Partners will only charge a fee (including a minimum fee) if it is fair and not excessive to the client. Halite Partners may aggregate the portfolios of related clients to meet the minimum portfolio size.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Halite Partners customizes a wealth management and planning strategy that considers each client's risk tolerance, return objectives, and spending and liquidity needs. The Firm performs both fundamental and qualitative analysis in its investment process.

Asset Allocation: Halite Partners designs an asset allocation strategy for each client which works in conjunction with the client's overall wealth management and planning strategy. After considering the

client's risk tolerance and return objectives, the portfolio is typically constructed by combining lower return, lower risk asset classes (e.g., high quality bonds) with higher return seeking asset classes (e.g., public and private equity investments). Depending on the needs of the client, the portfolio may consist of external investment managers (as defined below in the "External Investment Manager Selection" section, below) and/or securities purchased directly in the financial markets (e.g. taxable and tax-exempt bonds, cash instruments and exchange traded funds).

External Investment Manager Selection: Halite Partners uses both commercially available and proprietary databases to track the universe of investment managers that it follows in both traditional (e.g., long-only public bonds and equities) and alternative assets (e.g., hedge funds and private capital funds). Halite Partners allocates capital to unaffiliated third party investment managers (referred to herein as "External Investment Managers" which includes Independent Managers as well as managers of registered and unregistered funds) which it believes are exceptional and differentiated. Typically, these managers have a value-oriented investment process. The Firm's screening process includes evaluating a wide range of factors, including, but not limited to, the repeatability of the investment strategy employed by the External Investment Manager, the experience and integrity of the External Investment Manager, historical performance, and the quality of the External Investment Manager's infrastructure.

Halite Partners typically enters into discretionary agreements with clients whereby the Firm is granted limited power of attorney to select, monitor, and replace, if necessary, External Investment Managers on the clients' behalf to implement its recommendations. In limited circumstances, Halite Partners will serve in a non-discretionary capacity.

Risk of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Halite Partners's recommendations and/or

investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Halite Partners will be able to predict those price movements accurately or capitalize on any such assumptions.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, Halite Partners selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Halite Partners continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Halite Partners does not have the ability to supervise the Independent Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

Halite Partners recommends that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Options

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Item 9. Disciplinary Information

Halite Partners has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have anything to disclose in this section.

Item 11. Code of Ethics

Halite Partners has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Halite Partners’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Halite Partners’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds. Clients and prospective clients may contact Halite Partners to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

Halite Partners expects to have relationships with numerous Financial Institutions that it will recommend to clients for custody, brokerage and clearing services. Currently, the Firm anticipates recommending Bank of New York ("BONY") for institutional clients, and Pershing Advisor Solutions ("Pershing") and/or Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab" and together with BONY and Pershing, the "Custodians") for individual investment management accounts. The final decision to custody assets with the Custodians or any other Financial Institution is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Halite Partners is independently owned and operated and not affiliated with the Custodians. The Custodians provide Halite Partners with access to their institutional trading and custody services, which are typically not available to retail investors.

Factors which Halite Partners considers in recommending the Custodians or any other Financial Institution to clients include their respective financial strength, reputation, execution, pricing, research and service. The Custodians enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodians may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Halite Partners's clients to the Custodians comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Halite Partners determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Halite Partners seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

The Custodians are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the Custodians or that settle into the accounts held by the Custodians.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime

brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged. Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Halite Partners in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Halite Partners does not have to produce or pay for the products or services.

Halite Partners periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

Halite Partners receives without cost from the Custodians administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Halite Partners to better monitor client accounts maintained at the Custodians and otherwise conduct its business. Halite Partners receives the Support without cost because the Firm renders investment management services to clients that maintain assets at the Custodians. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Halite Partners, but not its clients directly. Clients should be aware that Halite Partners's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Halite Partners endeavors at all times to put the interests of its clients first and has determined that the recommendation of the Custodians is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Halite Partners receives the following benefits from the Custodians: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

The Support includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

While each Custodian will provide different Support to the Firm, the Custodians will make available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by the Custodians. Other potential benefits may include occasional business entertainment of personnel of Halite Partners by the Custodians' personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Others of these products and services assist Halite Partners in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade

execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at the Custodian providing the Support. The Custodians also make available to Halite Partners other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the Custodians may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. The Custodians may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Halite Partners endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at the Custodians providing the Support may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by that Custodian, which creates a potential conflict of interest.

Brokerage for Client Referrals

Halite Partners does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct Halite Partners in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Halite Partners (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Halite Partners may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client will be effected independently, unless Halite Partners decides to purchase or sell the same securities for several clients at approximately the same time. Halite Partners may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Halite Partners's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Halite Partners's Supervised Persons may invest, the Firm does so in accordance with applicable

rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Halite Partners does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account

has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

Halite Partners monitors client portfolios on a continuous and ongoing basis. In addition, the client's investment portfolio statement (IPS) will be reviewed annually. Such reviews are conducted by the Firm's Principal or an investment adviser representative, as well as the client's relationship manager. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Halite Partners and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Halite Partners and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Halite Partners provides its clients with a consolidated report on a quarterly basis which provides the total portfolio return and the Firm's commentary on the markets. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Halite Partners or an outside service provider

Item 14. Client Referrals and Other Compensation

Client Referrals

In the event a client is introduced to Halite Partners by an affiliated solicitor, the Firm may pay that solicitor a fee in accordance with applicable state securities laws. Any such referral fee is paid solely from Halite Partners's investment management fee and does not result in any additional charge to the client. Any affiliated solicitor of Halite Partners will disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Halite Partners and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Halite Partners.

In addition, as discussed in Item 13, Halite Partners will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Halite Partners.

Item 16. Investment Discretion

Halite Partners is given the authority to exercise discretion on behalf of clients. Halite Partners is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Halite Partners is given this authority through a power-of-attorney included in the agreement between Halite Partners and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Halite Partners takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer that executes trades (in the case of a prime brokerage relationship); and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Halite Partners does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Item 18. Financial Information

Halite Partners is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.