ADVISER BROCHURE

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MARCH 31, 2018

This Brochure provides information about the qualifications and business practices of Shufro, Rose & Co., LLC ("**SRC**"). If you have any questions about the contents of this Brochure, please contact us at 212-754-5100 or our Chief Compliance Officer ("CCO"), Gregory Shufro, at gshufro@shufrorose.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Shufro, Rose & Co., LLC is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") under the U.S. Investment Advisers Act of 1940, as amended ("**Advisers Act**"). Registration with the SEC does not imply any level of skill or training.

Additional information about SRC also is available on the SEC's website at www.adviserinfo.sec.gov. Shufro, Rose & Co., LLC's SEC Registration No. 801-977 and

CRD No 3403.

ITEM 2 – MATERIAL CHANGES

Since SRC's previous filing in March 2017, SRC has moved its office to 600 Lexington Avenue, 15th Floor, New York, New York 10022 on February 9th, 2018.

Effective March 30, 2018, Gregory D. Shufro is the Chief Compliance Officer. The Adviser is disclosing both the change of address and change of Chief Compliance Officer as part of this annual filing dated March 31, 2018.

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ITEM 4 – ADVISORY BUSINESS

Owners

Shufro, Rose & Co., LLC ("**SRC**", the "**Adviser**", the "**Firm**", "**we**") was founded in 1938 and was converted to an LLC in 1997. SRC is not affiliated with any other active business entity and is owned entirely by SRC's Working Members, each of whom is a Senior Managing Director and also serves as a Portfolio Manager. The current Senior Managing Directors are:

EDWARD G. SHUFRO, born 1935, received his B.A. from Yale College in 1955 and his M.B.A. from Harvard in 1958. He joined the Firm in 1958 and became a Principal in 1965. His father, Salwyn Shufro (1905-2001), was a co-founder of SRC.

STEPHEN LEIT, born 1945, received his B.A. from the University of Rochester in 1967 and his M.A. from Northwestern University in 1970. He became a Chartered Financial Analyst (CFA) in 1978, joined the Firm in 1984, and became a Principal in 1989.

STEVEN J. GLASS, born 1967, received his B.S. in Business Administration from the University of Hartford in 1988 and joined the Firm in the same year. He became a Principal in 1997.

HARVEY WACHT, born 1945, received his B.B.A. from Baruch College in 1967. He became a Certified Public Accountant (CPA) in 1972 and was a Principal at Herzog Heine Geduld for thirty years in senior executive and investment positions. He joined the Firm in 2001 and became a Principal in 2003.

JOHN M. CONTANT, born 1974, received his B.S. in Finance from Lehigh University in 1996 and joined the Firm that same year. He became a Principal in 2004.

GREGORY D. SHUFRO, born 1969, received his B.A. in English from the University of Pennsylvania in 1991 and his J.D. from Fordham University School of Law in 1997. Prior to joining the Firm in 2003, he practiced law in New York and specialized in securities litigation and bankruptcy. He became a Principal in 2008. Mr, Shufro also acts in the capacity of SRC's Chief Compliance Officer.

TONIA L. KAMINSKY, born 1968, received her B.S. in Business Administration from the University of Massachusetts Amherst in 1991 and joined the Firm in 1999. She became a Principal in 2009.

Additional information is available to clients in SRC's brochure supplements (SEC ADV Form 2B), in accordance with SEC requirements.

Types of Advisory Services

Shufro, Rose & Co., LLC was founded as a partnership in 1938 and converted to a Limited Liability Company ("**LLC**") under the laws of the state of New York in 1997. The firm is among the oldest wealth management firms specializing in the discretionary management of investment portfolios. We are independent and owned entirely by our working principals, each of whom is a Senior Managing Director. The Principals of SRC have worked together for many years; three have been in the investment business for more than forty years. Foremost in our minds is that putting our clients' interests first and producing good investment results are the most important services we can provide. In numerous instances we now advise the fourth successive generation of a family. Because we are focused on the overall financial health of our clients, we often help clients anticipate and plan for future needs by working closely with their accountants, financial planners, and attorneys. These lasting relationships as well as the growth in our assets under management attest to our diligence on behalf of our clients. SRC provides investment management, financial planning and advisory services to separately managed accounts of individuals, high-net worth individuals, trusts and estates, retirement accounts, businesses and charitable organizations (each referred to as the "**Client**", collectively the "**Clients**") on a discretionary basis. Although all Portfolio Managers share investment ideas, some primary Portfolio Managers are also supported by, and work closely with, one or more other Portfolio Managers in the management of accounts. Each account is assigned to an individual Portfolio Manager—or in some cases a pair of Portfolio Managers, three groups of two Portfolio Managers currently work jointly—who have primary responsibility for formulating investment advice and exercising discretion for such account.

The Portfolio Managers primarily invest client assets in stocks and other exchange-traded securities, closed-end funds and bonds. Portfolio Managers typically maintain cash equivalent positions (money market funds) through a “sweep” program as well. In this current low interest rate environment some Portfolio Managers have begun using short-term bond mutual funds to generate more interest income than is available from money market funds. Short term bond funds generally involve a greater interest rate and credit quality risk than money market funds. One Portfolio Manager also routinely invests in mutual funds and utilizes options, primarily with the intention of increasing income and/or reducing downside risk.

Individualized Advisory Services

SRC does not use rigid allocation or diversification models. Although each Portfolio Manager will consider these principles when investing an account or family group, there are no specific thresholds for asset classes (including cash equivalents), market capitalizations or market sectors. None of the Portfolio Managers use "model portfolios," although some Portfolio Managers tend to have more overlap in the holdings across their managed accounts than others. At account inception and any time thereafter, clients may impose reasonable restrictions on what assets may be purchased for, or sold from, their accounts.

SRC does not issue lists of “recommended” securities or strategies. Portfolio Managers exercise their individual judgment regarding all purchases, sales and investment advice for the accounts they supervise using those investment techniques and methods which they believe are appropriate. Different Portfolio Managers (i) employ different investment techniques, (ii) produce different outcomes, and (iii) may have differences in their fee schedules. Further, the highly individualized, hands-on investment management approach means that even accounts with similar investment profiles, which are managed by the same Portfolio Manager, may own different securities from one another and have different results.

In some cases, Portfolio Managers may manage several accounts together as a household or "family group" of accounts.

Assets under Management (Regulatory Assets under Management)

As of December 31, 2017, our Regulatory Assets Under Management (“**RAUM**”) were $1,713,676,125 managed on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

SRC charges an advisory fee to its clients which assumes that each quarter has an equal number of days. The annual investment advisory fee is paid quarterly in arrears and is calculated using Average Assets under Management ("**AAUM**") for the quarter—which generally includes all discretionary assets in an account that are invested or held for investment except for those assets that have been expressly excluded under the respective fee agreement or otherwise as determined by the Portfolio Manager. The advisory fee is assessed in accordance with the fee schedule the client authorized. A detailed copy of the calculation is available upon request.

SRC maintains the discretion to vary or modify its fee schedule subject to applicable law and contract.

The fee range generally offered by SRC is summarized below.

Annual Fee (based on AAUM)	**Service Charges (Assessed by Custodian)**
Ranging from 0.65% to 1.50% assessed quarterly in arrears.	On a Competitive basis for most bonds and between $8.95 and $9.00 per transaction for most equities. *SRC does not receive any portion of these charges.*

In certain circumstances, multiple accounts of clients related by blood or marriage and/or sharing a household *<u>may</u>* be combined to reach a certain assets under management level in order to qualify for certain fee breakpoints. Several factors—such as the amount of assets invested, and types of investments being made—may influence the amount of the annual fee.

Unless a client directs otherwise, fees are deducted from the relevant account or from a related account. For example, for some clients, advisory fees for IRA accounts are deducted from the clients' taxable accounts. When fees are deducted, the charge is shown on the monthly statement for the month in which the charge is made. Fees are prorated for accounts that open or close during the billing period. Existing accounts may use fee schedules or payment terms that differ from the fee schedules or payment terms offered to new clients. If an account transfers to a different Portfolio Manager within SRC, the fee schedule in existence immediately prior to the transfer will govern the account unless a new arrangement is agreed upon between SRC and the relevant client.

Clients do not pay any charges to SRC except as described above in connection with investment advisory services. SRC does not charge commissions to clients. Clients incur a charge on each transaction paid to a third-party broker-dealer. SRC does not receive any portion of this charge.

Some trades are assessed regulatory fees (*e.g.,* Chicago Board Options Exchange (CBOE) fees for options, and an SEC fee for all sales). If foreign securities are purchased, additional charges for exchanging currency may be charged by the respective custodian. With respect to investments in mutual funds including Exchange Traded Funds (ETFs), management/marketing fees are charged by such funds. These fees are included in the cost of the shares and are disclosed in the prospectuses that are sent by the custodian at the time of purchase. In all cases, a portion of those fees (often called 12b-1 fees) are directed to the custodian. Because SRC is not a broker-dealer, we are not allowed to receive any portion of these fees. Clients may also be charged custodial or other fees by the qualified custodian. All these fees that may be incurred by Clients are in addition to the investment advisory fee paid to SRC.

SRC has retained Financial Recovery Technologies (FRT) to file securities class actions on behalf of SRC's clients. FRT bears the processing costs associated with filing such actions and is entitled to receive fifteen percent (15%) of the gross recovery connected to such claims. SRC receives no portion of such fee or recovered amount.

SRC believes that assessing its clients a reasonable annual advisory fee based on their AAUM is consistent with its fiduciary duty as an investment adviser and creates an appropriate alignment of interests between the Portfolio Managers and SRC's clients. SRC does not share advisory fee revenue with any custodian. **Advisory fees are the only material sources of revenue for SRC.** SRC does not have any significant "undisclosed" revenue sources; such as "soft" dollars, referral fees, "mark-ups" or "pull-backs," underwriting fees and concessions, product or cash balance overrides, payment for order flow, directed trades, or other fees.

Termination of the Advisory Relationship

As noted above, fees are prorated for accounts that close during the billing period. The advisory fee will be prorated based on the AAUM, for the period, on the termination date or date of death of advisory client.

ERISA Accounts

SRC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the Code), respectively. As such, SRC is subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, SRC may only charge fees for investment advice on products for which SRC and/or our related persons do not receive any commissions or trailing fees such as 12b-1 fees.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar, lower, or higher fees.

Fees and Compensation from the Sale of Securities or Mutual Funds

Mr. Harvey Wacht, in his individual capacity, is a licensed registered representative with Purshe Kaplan Sterling, a FINRA member broker- dealer. Mr. Wacht holds Series 7, 24, and 63 licenses with FINRA. These affiliations and licenses are maintained in order to effectuate certain securities transactions that may only be offered through a FINRA member broker-dealer. These transactions are typically commission paid transactions that may not otherwise be accessible directly. Any fees and/or commissions (to the extent received) by Mr. Wacht in his individual capacity, are independent from the investment advisory fee paid to the Adviser. This practice presents a potential conflict of interest and gives us or our supervised persons an incentive to recommend investment products based on compensation received, rather than on a Client's needs. We address these conflicts by disclosing these transactions to the Client prior to or at the time of purchase. To the extent that certain mutual fund companies pay 12b-1 fees, a portion of these fees are passed on to Mr. Wacht directly as a registered representative of Purshe Kaplan Sterling (to the extent received) and are separate from our investment management fee.

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us. We do not reduce our advisory fees to offset commissions received. When Mr. Wacht sells an investment product on a commission basis, the Adviser does not charge an advisory fee in addition to the commissions paid by the Client for such product.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SRC does not charge any performance-based fees.

ITEM 7 – TYPES OF CLIENTS

SRC's clients are primarily individuals, high net worth individuals, or trusts, including IRAs and retirement accounts. The remaining accounts consist of charitable, educational, endowment and corporate accounts as well as family limited partnerships or investment clubs.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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

SRC manages individualized portfolios for clients based upon their personal objectives, goals and risk tolerances. Portfolio Managers take into account a client’s anticipated future spending requirements, age, and financial circumstances. The desire for income and safety of principal are balanced with the need for inflation protection and willingness or ability to assume risk in order to facilitate future growth. An intended investment approach and portfolio construction result from this synthesis of requirements. Portfolios are reviewed periodically for consistency with the intended investment approach.

Depending on the investment objectives and risk tolerance of the client, a portfolio may include stocks, bonds and cash equivalents, and preferred stocks, open and closed end funds or exchange traded funds representing a basket of equities or fixed income securities. In isolated cases and only with separate signed approval by the client, a Portfolio Manager may also use exchange listed options or margin. Within a given asset class, Portfolio Managers employ a variety of valuation techniques designed to signal when a security is advantageously priced and offers potential for price appreciation. Such indicators include, but are not limited to: price to earnings comparisons, price to sales comparisons, expected growth rates, historical valuations, leverage ratios, price to book values and cash flow analyses, as well as considerations regarding company management and style. SRC’s investment horizon is normally long term, so its perspective in assessing a potential investment incorporates a multi-year assessment of the security's likely performance relative to peers and to the general market.

SRC tends to maintain clients' investment positions for an extended time, resulting in a minimization of trading costs and taxes. However, if a security achieves what the Portfolio Manager considers its full value or if circumstances warrant selling sooner than originally expected, turnover and therefore trading costs and taxes may increase.

SRC attempts to mitigate the risks posed by individual securities by either holding a selection of securities in different asset classes, such as stocks, bonds and cash equivalents, and by balancing a predominantly equity portfolio with cash equivalents to offset market declines. SRC typically seeks to diversify holdings across industry classes within each portfolio or family group. Due to special circumstances (such as large, very low cost basis legacy positions), some accounts have larger than average positions. Portfolio Managers use their discretion to determine the composition of each portfolio or family group.

The Portfolio Managers' assessment of any security's likely future performance is inherently a prediction and it is subject to uncertainty and risk that the outlook might prove wrong. An outcome contrary to what the Portfolio Manager envisions may arise from a number of factors, such as: an erroneous assessment of the value offered by the security, either by wrongly anticipating earnings or misperceiving what a "standard" valuation should be for the type of security in question; a change in the fundamental business and industry dynamics that the Portfolio Manager fails to anticipate; an allocation of capital by the company that changes value and renders the forecasts invalid, or a mistaken reading of the future economic environment. If any of these risks materialize, the resulting loss, if any, would negatively contribute to the performance of the client's portfolio.

In addition to these risks, fixed income securities and preferred stocks are subject to risks on account of or due to changes in interest rates, credit quality and prepayments.

This list of risks is not exhaustive. For certain securities purchased for accounts, such as mutual funds and newly issued municipal bonds, clients receive prospectuses and official statements which identify the risk factors associated with those securities and issuers. Clients are encouraged to review such disclosure documents.

ITEM 9 – DISCIPLINARY INFORMATION

SRC and our management have no disciplinary events within the prior ten years to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

SRC is only registered as an investment adviser with the Securities and Exchange Commission.

Mr. Harvey Wacht, in his individual capacity, is a licensed registered representative with Purshe Kaplan Sterling, a FINRA member broker- dealer. Mr. Wacht holds Series 7, 24, and 63 licenses with FINRA. This affiliation is primarily an accommodation to help service our existing Client base. Certain products and services cannot be purchased without registration through a broker-dealer or other licensing. Products typically utilized in this capacity include stocks, options and mutual funds. No advisory Clients are under any obligation to retain us for services related to the recommendation of such products and commissions-based securities. We do not reduce our advisory fees to offset commissions received. When Mr. Wacht sells investment products on a commission basis, the Adviser does not charge an advisory fee in addition to the commissions paid by the Client for such product. However, given the availability of compensation in the form of commissions, a conflict of interest between Mr. Wacht and our Clients is apparent. When offering these types of instruments to Clients, we address the conflicts by providing disclosure that the products and services are being offered through a broker-dealer and commission is being paid directly to Mr. Wacht as a registered representative, separate and apart from ongoing advisory work that is provided through the Adviser.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SRC has implemented measures to ensure that it adheres to its responsibility to treat its clients with a high level of fiduciary attention.

Code of Ethics

SRC has adopted a Code of Ethics detailing the standards of conduct expected of its associated persons. The Code of Ethics and other written procedures of SRC contain policies reasonably designed to prevent violations of the federal securities laws. The Code of Ethics and procedures also require SRC's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and private placements. SRC maintains a “restricted list” which identifies all securities in which SRC, or any SRC employee has material non-public information or other situations that may be presented to restrict a security for a period of time. SRC employees are prohibited from trading in securities on the restricted list. SRC employees, including the Portfolio Managers, are permitted to invest in the same securities as SRC's clients, consistent with SRC's fiduciary duty to its clients. Portfolio Managers are prohibited from day-trading any securities which are held in client accounts. Portfolio Managers are also obligated to document their reasoning if they trade for their own accounts in an opposite way from the way they trade for their clients (e.g., if a Portfolio Manager sells a particular stock in his own account while buying or holding it for his clients’ accounts). SRC will provide clients and prospective clients a copy of its Code of Ethics upon request.

Potential Conflicts of Interests

Personal Trading and Participation or Interest in Client Transactions

The Portfolio Managers routinely buy and own for themselves the same securities that they recommend to their clients. SRC believes this demonstrates the Portfolio Managers' faith in the securities they purchase for clients. SRC recognizes, however, that this overlap can create potential conflicts of interest, particularly because SRC’s business model encourages Portfolio Managers to use subjective allocations to satisfy individual client needs. Although the Portfolio Managers believe they do not engage in personal trading to their clients’ detriment and that all clients are treated fairly and equitably over time, some disparities in allocation and price across accounts may result. SRC has developed procedures to mitigate some of the effects of such conflicts. Portfolio Managers may not buy or sell a security that is being purchased, sold or considered for the client accounts they manage until they have reviewed all their client accounts and determined that the trades they are entering for themselves (or for their related accounts) have already been entered for the advisory clients for whom they intend to trade at that time. Further, when Portfolio Managers trade in their own accounts on the same day as the client accounts over which they exercise primary management responsibility, they are not permitted to receive better executions than their advisory client trades executed on the same day.

Notwithstanding these procedures, changes in market conditions, fluctuations in cash balances (due to, among other things, new deposits, accumulation of dividends and interest, sales of other securities, maturity dates of bonds) and other idiosyncratic factors may drive the Portfolio Managers' allocation decisions. Accordingly, unlike firms with rigid asset allocation and rebalancing programs, not all the clients of a Portfolio Manager who buys (or sells) a security will do so on the same day, and some may buy or sell after the Portfolio Manager has bought (or sold) for himself and for his family accounts. Depending on the availability of the security, subsequent price movements, the frequency with which the security trades, and other subjective factors considered by the Portfolio Manager, clients may not all receive allocations at or about the same time as other clients, or as the Portfolio Managers themselves.

As part of the daily review, the Compliance Department will review SRC Portfolio Managers' trades.

Firm Trading

SRC does not maintain principal or proprietary accounts. It does not buy or sell securities to its clients (except to correct occasional trade errors) or invest on its own behalf.

ITEM 12 – BROKERAGE PRACTICES

SRC is not registered nor does the firm act as a broker-dealer. Most of the trades made by SRC are directed through a qualified custodian.

Best Execution

As an investment adviser, SRC has a duty to use reasonable diligence to obtain "best execution" for the transactions being affected for our clients. Essentially this means that SRC's trading process must seek to maximize value such that the total costs and proceeds are the most valuable to the client under the circumstances. In selecting a broker, SRC considers the full range of the broker's services, not just the cost, including, but not limited to:

- Quality of execution—i.e., the accuracy and timeliness of executions, clearance and error/dispute resolution;
- Reputation, financial strength, and stability of the broker;
- Desired timing of transactions and size of trades; and

- Overall cost of trades.

In selecting a broker, SRC does not consider any gifts or entertainment; the broker's willingness to cover trade errors caused by SRC; or client referrals or capital introduction.

For almost all of its trades, SRC acts as discretionary investment adviser. Most of the securities traded by SRC are highly liquid. SRC directs the overwhelming majority of these orders through an order routing system provided by the custodians, which is designed to automatically seek out the best bid or offer as well as the largest source of liquidity. The custodians charge service fees, which are fully disclosed to clients in their investment advisory agreements.

The Best Execution Committee chaired by the CCO is responsible for overseeing the trading process in relation to SRC's stated policies and procedures. The Committee reviews trade reports for quality of execution to ensure the firm meets its best execution obligations. In determining whether we have used "reasonable diligence" regarding best execution, the following factors are considered:

- character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications);
- size and type of transaction;
- number of markets checked;
- accessibility of the quotation; and
- terms and conditions of the order which result in the transaction, as communicated to the member and persons associated with the member.

The CCO schedules best execution meetings no less than quarterly and shall summarize in minutes the findings, discussions and action taken as a result of the meetings, which are retained along with copies of the reports reviewed at such meetings.

<u>Research and Soft Dollars</u>

SRC has no active soft dollar arrangements.

SRC does not believe that these arrangements are material to its selection of brokers and has implemented the aforementioned policies and procedures to ensure best execution. These practices are in compliance with Securities and Exchange Commission Rule 28(e), a safe harbor provision which provides that there is no breach of the fiduciary duty to clients when participating in soft dollar arrangements if the manager determines in good faith that the amount of the commission is reasonable in relation to the value of these services.

Aggregation of client orders

Absent special circumstances (such as client deposits occurring mid-day), all discretionary client trades in advisory accounts executed on a single day, on the same side of the market, by the same Portfolio Manager (or Primary Portfolio Manager Team), are averaged together. This practice is designed to treat all clients fairly on average but means that any particular client's trade may receive a better or worse price than it would have had the trade not been aggregated with other clients. Same day/same side trades by other Portfolio Managers at the firm, even ones who support or work closely with each other, may not be averaged with each other, meaning that clients of different Portfolio Managers may receive different prices on any given day.

ITEM 13 - REVIEW OF ACCOUNTS

The Portfolio Managers review the advisory accounts they manage at least quarterly. In practice, most accounts are reviewed more frequently. When reviewing accounts, the Portfolio Managers look for percentage allocation in specific investments and/or industry class, among other factors, as they relate to the client's individual circumstances. Client accounts are monitored consistently by our Compliance Department and the Chief Compliance Officer.

Clients are encouraged to notify their Portfolio Managers whenever they have changes to their financial circumstances, investment objectives and/or risk tolerances. Such communications trigger additional account reviews to assess the new information.

Early each year the Portfolio Managers send reports to their clients that show, among other things, the account's performance over the preceding calendar year, as well as all fees deducted from that account during the prior year. This is in addition to the transaction confirmations and periodic account statements sent by the custodian. We urge clients to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As noted throughout this Investment Advisory Brochure, SRC's significant revenue sources are entirely transparent to its clients. Advisory fees are SRC's primary source of revenue.
As of the date hereof, the Firm does not compensate any third-parties to assist with client referrals. The Firm may, from time to time in the future, enter into solicitation agreements pursuant to which it compensates one or more third parties for client referrals that will result in the provision of investment advisory services by the Firm. Any future cash solicitation agreements will comply with Rule 206(4)-3 of the Advisers Act.

ITEM 15 - CUSTODY

Pursuant to Rule 206(4)-2, we are deemed to have custody of our client account's funds and securities because (i) we may debit fees directly from the accounts of such clients and/or (ii) certain clients have executed a letter or instruction or similar asset transfer authorization arrangement with a qualified custodian whereby we are authorized to withdraw client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian (each, an "SLOA"). The terms of each such SLOA are consistent with the terms described in the February 21, 2017 letter of the Chief Counsel's Office of the Securities and Exchange Commission clarifying custody with respect to a standing letter of instruction or other similar asset transfer authorization arrangement established by a client with a qualified custodian.

The qualified custodian of each client account sends or makes available, on a quarterly basis or more frequently, account statements directly to each client. We urge clients to carefully review these account statements from their qualified custodians, and compare the information therein with any financial statements or information received or made available to clients through us or any other outside vendor.

ITEM 16 – INVESTMENT DISCRETION

As noted in Item 4, SRC's primary business model involves providing discretionary asset management to its clients. At the commencement of the relationship and for each new account, each client executes an investment advisory agreement which grants SRC authority to execute trades in the account. SRC cannot execute trades on margin or in options without further written client approval.

ITEM 17 – VOTING CLIENT SECURITIES

SRC does not have and will not accept authority to vote its client's securities. Clients will receive proxies or other solicitations directly from their respective Custodian.

ITEM 18 – FINANCIAL INFORMATION

SRC 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.