

# Code of Ethics

## **I. Introduction**

As a professional organization serving the public in the area of investment management, Marchand Faries Financial Management, Inc. (hereinafter “the Company”) is guided in all actions by the highest ethical and professional standards. Accordingly, the Company has embraced the SEC’s adoption of Rule 204A-1, the “Code of Ethics rule”, as an opportunity to affirm its duty to its clients.

Pursuant to the SEC’s adoption of this rule, the Company has adopted this Code of Ethics (“the Code”) in order to set the standards of conduct to be followed by all persons associated with the Company. The Company has set high standards, the intention of which is to protect client interests at all times and to demonstrate the Company’s commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. All officers, directors and employees (“associated persons”) are subject to this Code and the procedures outlined in it. The policies and guidelines set forth in this Code of Ethics must be strictly adhered to by all associated persons. Severe disciplinary actions, including dismissal, may be imposed for violations of this Code of Ethics.

The Company has several goals in adopting this Code. First, the Company desires to comply with all applicable laws and regulations governing its practice. We believe that compliance with such regulations is a signal to our clients that we exist to serve them, not ourselves, and that we support the efforts of those organizations dedicated to upholding the law.

Next, the management of the Company has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for reporting established in the Code. This will serve to educate associated persons regarding appropriate activities. The Company has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.

Finally, the Company has adopted specific policies and procedures designed to assist in the implementation of the guidelines outlined below. Such policies and procedures will serve to assist in reviewing the effectiveness of the implementation of the Code on an ongoing basis.

## **II. Definitions**

“Supervised Person”. This term includes directors, officers and partners of the Company, as well as any other person occupying a similar status or performing similar functions. The Company may also include in this category temporary workers, consultants, independent contractors and anyone else designated by the Chief Compliance Officer (“CCO”). For purposes of the Code, such ‘outside individuals’ will generally only be included in the definition of a supervised person if their duties include access to certain types of information, which would put them in a position

of sufficient knowledge to necessitate their inclusion under the Code. The CCO shall make the final determination as to which of these are considered supervised persons.

“Access Person”. All Access Persons are also Supervised Persons. An Access Person is one who has access to nonpublic information regarding any client’s purchase or sale of securities, is involved in making securities recommendations to clients, or has access to such recommendations that are nonpublic. All of the firm’s directors, officers, and partners are presumed to be access persons.

“Associated Person”. For purposes of this Code, all supervised and access persons may be collectively referred to as ‘associated persons’.

“Advisory Client”. Any person to whom or entity to which the Company serves an investment adviser, renders investment advice or makes any investment decisions for a fee is considered to be a client.

“Reportable” or “Covered” Securities”. Such securities include stocks, bonds, notes, debentures and other evidences of indebtedness (including loan participations and assignments), limited partnership interests, investment contracts, and all derivative instruments, such as options and warrants.

“Non-Reportable Securities”. Specifically exempt from the definition of reportable or covered securities are: treasury securities; bank certificates of deposits, commercial paper, etc.; money market fund shares; shares of open-end mutual funds that are not advised or sub-advised by the Company; and units of a unit investment trust if the UIT is invested exclusively in unaffiliated mutual funds.

### **III. Guidelines for Professional Standards**

- All associated persons must at all times reflect the professional standards expected of those engaged in the investment advisory business, and shall act within the spirit and the letter of the federal, state and local laws and regulations pertaining to investment advisers and the general conduct of business. These standards require all personnel to be judicious, accurate, objective and reasonable in dealing with both clients and other parties so that their personal integrity is unquestionable.
- All associated persons are required to report any violation of the Code, by any person, to the CCO or other appropriate person of the Company immediately. Such reports will be held in confidence.
- Associated persons must place the interests of Advisory Clients first. All associated persons must scrupulously avoid serving their own personal interests ahead of the interests of the Company's Advisory Clients. In addition, associated persons must work diligently to ensure that no client is preferred over any other client. The Company’s trading policy and procedures address this important issue in more detail.

- All associated persons are naturally prohibited from engaging in any practice that defrauds or misleads any client, or engaging in any manipulative or deceitful practice with respect to clients or securities.
- Associated persons must avoid taking inappropriate advantage of their positions. The receipt of investment opportunities, perquisites or gifts from persons seeking business with the Company or its Advisory Clients, could call into question the exercise of the independent judgment of an associated person. Associated persons should therefore use caution in these circumstances, and always consult the CCO when in doubt. Generally gifts valued over \$200 are not permitted to be accepted by any associated person.
- No associated person may serve on the board of directors of any publicly traded company without prior written permission by the CCO, or other appropriate personnel.
- Associated persons must conduct all personal securities transactions in full compliance with this Code. Doubtful situations always should be resolved in favor of Advisory Clients and in cooperation with the CCO. Technical compliance with the Code's provisions shall not automatically insulate from scrutiny any securities transactions or actions that could indicate a violation of the Company's fiduciary duties.
- Personal transactions in securities by associated persons must be accomplished so as to avoid even the appearance of a conflict of interest on the part of such personnel with the interests of the Company's clients. Likewise, associated persons must avoid actions or activities that allow (or appear to allow) a person to profit or benefit from his or her position with the Company at the expense of clients, or that otherwise bring into question the person's independence or judgment. The complete Personal Trading Policies are a part of this Code of Ethics.
- The Company has adopted Insider Trading Policies which set parameters for the establishment, maintenance and enforcement of policies and procedures to detect and prevent the misuse of material non-public information. The Insider Trading Policies are a part of this Code of Ethics.
- Associated persons are prohibited from accepting compensation for services from outside sources without the specific permission of the CCO or other qualified individual in the Company.
- When any associated person faces a conflict or potential conflict between their personal interest and the interests of clients, they are required to immediately report the conflict to the CCO for instruction regarding how to proceed.
- The recommendations and actions of the Company are confidential and private matters. Accordingly, we have adopted a Privacy Policy to prohibit the transmission, distribution or communication of any information regarding securities transactions in client accounts or other non-public information, except to broker/dealers or other bona fide service providers in the ordinary course of business. In addition, no information obtained during the course of employment regarding particular securities (including internal reports and recommendations) may be transmitted, distributed, or communicated to anyone who is not affiliated with the Company, without the prior written approval of the CCO.

## **IV. Personal Trading Policies**

### A. General Information

The following policies and procedures apply to all accounts owned or controlled by an associated person, those accounts owned or controlled by members of the associated person's immediate family, including any relative by blood or marriage living in the same household, and any account in which the associated person has any beneficial interest, such as a trust. These accounts are collectively referred to as "covered accounts". Any account in question should be addressed with the CCO immediately to determine if it is a covered account.

### **Exemptions from Reporting**

#### (1) Non-reportable securities

Rule 204A-1 specifically excludes the following from the definition of reportable or covered securities:

- Direct Obligations of the US Treasury
- Bankers' acceptance, Certificates of deposit, commercial paper, and the like
- Money market fund shares
- Shares of open end mutual funds, as long as the Company nor any affiliate serves as the adviser or sub-adviser to the fund
- Shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are advised or sub-advised by the Company.

#### (2) Automatic Reinvestment Plans

Pre-Clearance is not required for transactions within an automatic reinvestment plan.

### B. Quarterly reporting requirements

Each associated person must file or cause to be filed with the CCO a Personal Securities Transaction Report (the "PST Report") within 30 days after the end of each quarter (found at the end of this section). PST Report forms shall be circulated by the CCO each quarter. Each PST Report shall require the covered person to certify that, for the preceding quarter: (i) the information on the PST (or in lieu thereof or in conjunction with, attached brokerage statements with transactions clearly marked) represents all of the associated person's trading activity for the preceding quarter, and (ii) the covered person has complied with the Adviser's trading policies in this Code of Ethics and applicable federal and state law in all respects.

If no broker is involved in a trade (unbrokered trades) by an associated person, he or she shall provide a transaction report within 10 days of the trade.

### C. Initial and Annual reporting requirements

Within 10 days of beginning employment and annually thereafter, each associated person must provide a list of brokerage accounts and securities owned or controlled by the associated person, his or her spouse or minor children, or any other person or entity in which the associated person may have a beneficial interest or derive a direct or indirect benefit (found at the end of this section). Each associated person shall instruct the broker for these accounts (the “Covered Accounts”) to send duplicate confirmations and brokerage statements for the Covered Accounts to the Company, c/o the CCO. Each associated person must notify the CCO of any updates or changes to his or her Covered Accounts within 10 days of such update or change.

#### D. Prohibited and Restricted Transactions

- Associated persons are **prohibited** from participating in **IPO’s** (Initial Public Offerings).
- Short sales of securities are **prohibited**.
- Purchases and sales of **restricted securities** issued by public companies are generally **prohibited**, unless CCO determines that the contemplated transaction will raise no actual, potential or apparent conflict of interest.
- Any associated person wishing to purchase or sell a security obtained through a **private placement**, including purchase of any interest in a hedge fund, must **first seek approval** by the CCO. In addition, if an associated person who owns a security in a private company knows that the company is about to **engage in an IPO**, she/he must **disclose** this information to the CCO.
- Participation in **Investment Clubs** must be **approved in writing by the CCO** in advance of any such participation.

#### Case-by-Case Exemptions

Because no written policy can provide for every possible contingency, the CCO may consider granting additional exemptions from the Prohibitions on Trading on a case-by-case basis. Any request for such consideration must be submitted by the covered person in writing to the CCO. Exceptions will only be granted in those cases in which the CCO determines that granting the request will create no actual, potential or apparent conflict of interest.

#### **VI. Sanctions**

Associated persons who violate any provision of the Code of Ethics may be subject to sanctions, which may include, among other things, education or formal censure; a letter of admonition; disgorgement of profits; restrictions on such person’s personal securities transactions; fines, suspension, reassignment, demotion or termination of employment; or other significant remedial action.

All disciplinary responses to violations of the Code of Ethics shall be administered by the CCO, subject to approval by the president or chief executive officer of the Company. Determinations regarding appropriate disciplinary responses will be administered on a case-by-case basis, subject to the following specific policies:

(1) Associated persons who violate the Pre-Clearance Procedures described above shall have personal trading privileges under these Personal Trading Policies suspended for three months following the discovery of the violation, and may face further discipline for repeated violations; and

(2) Associated persons who fail to timely submit PST Reports to the CCO as described above shall be fined \$100 per offense, and may face further discipline for repeated violations.

## **VII. Certification**

Upon the Company's adoption of this Code of Ethics and annually thereafter, all associated persons are required to certify in writing his or her understanding and continuing acceptance of, as well as agreement to abide by, the guidelines and polices set forth herein. Additionally, any change or modification to the Code of Ethics will be distributed to all associated persons and they will be required to certify in writing their receipt, understanding and acceptance of the change(s).