

**Form ADV Part 2A and 2B**  
**Investment Advisor Brochure and Brochure Supplement**

**Item 1: Cover Page**

Name of Firm	<b>Dorsey, Wright &amp; Associates, LLC</b>
Address	<b>3300 W. Leigh Street, Richmond, VA, 23230</b>
Phone Number	<b>(804) 320-8511</b>
Website Address	<a href="http://www.dorseywright.com">www.dorseywright.com</a>
E-mail Address	<b>Lisa.Johnson@nasdaq.com</b>

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods 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. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

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

**Item 2: Material Changes**

The purpose of this section is to discuss only material changes since the last annual update of Dorsey, Wright & Associates, LLC (“Dorsey Wright”) Investment Advisor Brochure. The date of the last annual update was March 25, 2021.

Summary of Material Changes:

There have been no material changes since our last Annual Updating Amendment on March 25, 2021

Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

## Contents

<b>Item 1: Cover Page</b> .....	<b>1</b>
<b>Item 2: Material Changes</b> .....	<b>1</b>
<b>Item 4: Advisory Business (Advisory Firm and Services)</b> .....	<b>3</b>
<b>Item 5: Fees and Compensation</b> .....	<b>12</b>
<b>Item 6: Performance-Based Fees and Side-By-Side Management</b> .....	<b>15</b>
<b>Item 7: Types of Clients and Account Minimums</b> .....	<b>15</b>
<b>Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss</b> .....	<b>16</b>
<b>Item 9: Disciplinary Information</b> .....	<b>20</b>
<b>Item 10: Other Financial Industry Activities and Affiliations</b> .....	<b>20</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading</b> .....	<b>21</b>
<b>Item 12: Brokerage Practices</b> .....	<b>22</b>
<b>Item 13: Review of Accounts and Reports on Accounts</b> .....	<b>24</b>
<b>Item 14: Client Referrals &amp; Other Compensation</b> .....	<b>25</b>
<b>Item 15: Custody</b> .....	<b>25</b>
<b>Item 16: Investment Discretion</b> .....	<b>25</b>
<b>Item 17: Voting Client Securities</b> .....	<b>26</b>
<b>Item 18: Financial Information</b> .....	<b>26</b>

## Item 4: Advisory Business (Advisory Firm and Services)

### Advisory Firm

Dorsey Wright has been providing investment advisory services since 1987. Dorsey Wright's current principal owners are:

- Nasdaq, Inc.;
- Granite Redux, Inc., a Delaware corporation and wholly owned subsidiary of Nasdaq, Inc.; and • Granite Block, Inc., a Delaware corporation and wholly owned subsidiary of Nasdaq, Inc.

Dorsey Wright offers various types of advisory services as described in more detail below the list.

1. Investment Management provides personal investment advisory services for individual investors. The Investment Management activity takes place primarily from the California office.
2. Research and subscription services directed primarily to institutional clients (including mutual funds, unit investment trusts ("UITs"), exchange traded funds ("ETFs")), and some individual investors. These impersonal advisory services come in a digital format and are primarily generated from the home office in Virginia.
3. Seminars, Webinars, and Broker Institutes.
4. Hourly special services.
5. Advisory, sub-advisory, licensing, and consultant services are provided to mutual funds, UIT providers, providers of ETFs, and providers of structured notes and certificates of deposit.

### Advisory Services

#### ① Investment Management

The Investment Management arm of Dorsey Wright provides investment supervisory services ("Investment Management"). These personalized services are provided to individual investors, who in turn are clients of several unaffiliated broker/dealer or investment advisory firms. Our goal for Investment Management services is to attain meaningful investment results with emphasis on meeting the particular needs and investment goals of each client. These services are primarily provided through our California branch office; however, the methodologies and the portfolio management strategies used are created in collaboration with our main office in Virginia. For further discussion on our methodologies and strategies, see Item 8 of this brochure.

As of December 31, 2021, Dorsey Wright has \$ 414,883,091.00 of assets under management on a discretionary basis. This includes our separately managed accounts, as well as our advisory and sub-advisory arrangements.

Investment Management is based upon the same technical analysis that drives our research reports. Investment Management provides the value-added service that the investment account is monitored and that the advice is implemented by a qualified IA Representative of Dorsey Wright. Individual advice is afforded to the Investment Management clients. Advice and action taken on behalf of any client is likely to be similar to, but can be different from published research of a non-personalized nature.

A data gathering questionnaire is reviewed to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the Dorsey Wright IA Rep (or designee) to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Annually the IA Rep (or designee) will notify the client in writing to contact the IA Rep (or designee) if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. The IA Rep (or designee) will contact or attempt to contact the client annually on these matters. It is the client's responsibility to notify the IA Rep (or designee) any time there are changes. In the case where a client is referred by an unaffiliated broker/dealer or investment advisory firm ("sponsor firm"), the agent of the sponsor firm may be acting as the designee for Dorsey Wright.

Dorsey Wright utilizes SEI Investment Managers Services, Inc. ("SEI"), to assist Dorsey Wright in many of the back office functions that support our Investment Management business. Dorsey Wright continues to be responsible for the content, quality, and timeliness of our Investment Management services, however, SEI's outsourced operational solutions help facilitate account opening and maintenance, daily reconciliation, and trade settlement. SEI prepares quarterly portfolio reports for Dorsey Wright's Investment Management clients on behalf of Dorsey Wright.

Clients may call in at any time during normal business hours to discuss directly with the IA Rep their account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm confirmations, unless they have elected to have their confirmations suppressed, and at least quarterly statements containing a description of all transactions and all account activity. The client retains the indicia of ownership of all securities and funds in the account.

## ② Research and Subscription Services

Dorsey Wright offers three combinations of charting, research, and software services with our Basic, Platinum and Elite subscription packages. For any of the subscription packages, billing is done either monthly, quarterly, or semi-annually in advance and payment is due upon receipt of the invoice. Clients may cancel at any time; however, clients must cancel by the 10th of the month to receive a pro-rata fee for that month. Clients who notify Dorsey Wright of cancellation after the 10th of the month will be charged for the whole month and will maintain access through the end of the month.

The Basic subscription package gives subscribers access to our charts, a limited number of watch lists, a select number of model portfolios, a limited search/sort feature, computer generated stock comments, and a "From the Analyst" daily research article. The Basic subscription is \$79/month.

Dorsey Wright currently provides approximately 30 managed model portfolios on its website. The purpose of these tools is to provide a guideline for managing a piece of a portfolio. The basis of the allocations in the models is Point and Figure relative strength (technical analysis). No risk-management tools or suitability considerations are factored into the models. The models are provided as impersonal research services. Investment professionals must make the final decisions as to allocations in investment portfolios when utilizing the research. These ETF model portfolios are included in subscriptions to all the subscription options described herein. ETF providers, including but not limited to, Blackrock (iShares),

Invesco, First Trust, Franklin Templeton, DWS, KraneShares, and New York Life (IndexIQ), sponsor these models on a flat fee basis.

Dorsey Wright also makes certain ETF model portfolios available through other websites. Dorsey Wright has a contractual relationship with each of these companies to provide ETF models to their representatives, or in the case of a model platform, to their financial professional clients. The licensing

fee paid to Dorsey Wright is based on the assets under management in the program. Dorsey Wright sometimes waives this fee at its discretion.

The Platinum subscription package gives subscribers access to everything in Basic noted above plus our Daily Equity Report, DALI and ESS services described below. The Platinum subscription package is \$299/month.

#### Daily Equity Report

This Report is a daily technical research report to financial advisors and institutions. The Report covers a large universe of securities, which are updated daily using Point & Figure charts. Each week we review our market indicators, highlighting any changes that may occur.

#### DALI

The Dynamic Asset Level Investing (D.A.L.I.) service applied relative strength analysis across the following six major asset classes, US Equities, International Equities, Commodities, Global Currencies, Fixed Income, and Cash, to identify leadership and guide tactical asset allocation. ESS

The Enhanced Security Selection (ESS) service includes the Teambuilder and Matrix tools. Teambuilder aids in portfolio construction regarding mutual funds, ETFs, and stocks. The Relative Strength Matrix service evaluates a portfolio on a relative strength basis by creating a relative strength chart of each member of the portfolio versus every other member. This allows users to rank the portfolio by relative strength buy signals and columns. The ESS Package service, offers a few additional features such as email alerts for matrix movers, fund score methodology (FSM) models and select stock models.

The Elite subscription package gives subscribers access to everything in Basic and Platinum noted above plus custom strategy construction service. The Elite subscription package is \$399/month.

Dorsey Wright sometimes offer discounted rates for Basic, Platinum and Elite for higher volume relationships, academic institutions, promotions, and other circumstances.

#### Tactical Tilt Model Licensing

Dorsey Wright's Tactical Tilt Program is a model manager product that is licensed to broker-dealers, RIAs, or other financial institutions (the "licensee"). Dorsey Wright constructs and manages the model portfolios that are built with Exchange Traded Funds or open-end Mutual Funds as asset allocation investment solutions. The Tactical Tilt methodology is a rules-based process by which Dorsey Wright applies relative strength analysis to major asset classes to establish recommended investment weightings for each category, and similar analysis within asset classes to determine recommended sector weightings. The asset class weightings are based upon the results of the relative strength ranking process, and the constraints of strategic boundaries. Tactical Tilt Models are generally offered as a family, which provides a suite of risk-based options that vary materially only in the strategic boundaries within the program. Tactical Tilt model updates are provided on a scheduled basis, as frequently as weekly, or as infrequently as monthly, as established by the licensee. The investment inventory (i.e. securities used to gain exposure to a particular asset class or sector) vary based upon the availability of specific securities to the licensee or licensee preference. Generally, Dorsey Wright is compensated on an AUM basis for all assets participating within Tactical Tilt guided models. However, Dorsey Wright will charge a flat subscription

fee to licensees at Dorsey Wright's discretion. Since the guided models are updated no more frequently than weekly, on a day chosen by the licensee, the licensee will receive some recommendations after such recommendations or similar recommendations are distributed to other Dorsey Wright clients. The Tactical Tilt Models do not provide individual or personalized investment advice and the decision to put a client in a Tactical Tilt program belongs solely to the client's broker or advisor.

### ③ Seminars, Webinars, and Broker Institute

Dorsey Wright offers seminars to its clients. These seminars are based on Point and Figure charting and designed to educate our clients on Point and Figure charting, its origin, the basics of this charting method, specific chart formations, relative strength, sector analysis, Exchange Traded Funds (ETF's), investment models, and our technical indicators. These seminars are approximately 1-3 hours in length. Dorsey Wright also offers intense, comprehensive one-day, a day and a half, and two day Point and Figure seminars for its subscription clients. Specialized seminars are also available at negotiated prices.

Dorsey Wright also offers webinars for clients. Webinar series and specialized webinars are also available at negotiated prices.

Dorsey Wright offers a two-day Point and Figure Institute in Richmond, Virginia as well. . These institutes are held as the need arises but have typically been held in the spring and fall of each year. Dorsey Wright also offers advanced institutes, and institutes in other cities. Pricing for various seminars, webinars and Broker Institute are negotiated based on complexity. From time to time, the Firm may offer all or part of these workshops at reduced or no extra charge to subscribers to other services or to other business partners.

Dorsey Wright also offers consulting services as part of its seminar services. This entails a visit to the office of a client to advise him or her on how to better implement our service and some of the features of our service. This service would include doing branch seminars as well as client seminars. The cost of this service can be negotiated.

### ④ Hourly Special Services

Dorsey Wright periodically offer services where charges are on an hourly basis. This could include such services as portfolio evaluation or conference calls. The hourly charges for these services vary depending on the task.

### ⑤ Advisory, Sub-Advisory, Licensing, and Consultant Services to Mutual Funds, UITs, Structured Products, Variable Insurance Trusts, ETFs, ETNs, and Unified Managed Account (UMA) Platforms

Dorsey Wright provides advisory, sub-advisory, licensing, and consultant services to mutual funds, unit investment trusts, structured products, variable insurance trusts, ETFs, and ETNs. The majority of the products that utilize a Dorsey Wright strategy are U.S.-listed or issued, however, Dorsey Wright provides model and index licensing services for use in a small number of foreign listed and issued products as well. The product providers listed below represent our main clients from this category.

♦ *AdvisorShares* ♦

Dorsey Wright acts as a sub-advisor to AdvisorShares for a suite of AdvisorShares Dorsey Wright ETFs. The AdvisorShares Dorsey Wright ADR ETF (AADR) is an all-cap international equity strategy seeks to achieve long-term capital appreciation through a portfolio of international companies in both developed and emerging markets. The investment strategy is relative strength-based and takes into account current sector and industry group allocations in order to keep the strategy diversified. There is no consideration given to the allocation between developed and emerging markets; the strategy will allocate between the two depending on global price trends. Exposure to international markets is primarily achieved through American Depository Receipts (ADRs).

The AdvisorShares Dorsey Wright Short ETF (DWSH) employs an actively managed strategy that seeks capital appreciation through short selling securities using a technical, systematically-driven investment approach. The strategy identifies the weakest relative strength securities from within an investment universe of U.S. large and mid-cap equities, short selling securities that have depreciated in price more than others in their investment universe and holding those securities until they exhibit buy signals.

The AdvisorShares Dorsey Wright Micro-Cap ETF (DWMC) utilizes an actively managed strategy that seeks long-term capital appreciation by investing in exchange-listed, micro-cap equities with sufficient liquidity that generally have a market capitalization of less than \$1 billion. The strategy is relative strength-based, buying securities from the investment universe that have appreciated in price more than other equities within its investment universe and holding those securities until they exhibit sell signals.

Dorsey Wright also licenses models to AdvisorShares for use in three ETFs: The AdvisorShares Dorsey Wright FSM All Cap World ETF (DWAU), AdvisorShares Dorsey Wright FSM U.S. Core ETF (DWUS), and AdvisorShares Dorsey Wright Alpha Equal Weight ETF (DWEQ). The underlying models for DWAU and DWUS utilize Dorsey Wright's Fund Score Method (FSM) framework. The FSM evaluates trend analysis, market relative strength, and peer relative strength to select funds that are showing outperformance. The All Cap World model is a global equity rotation strategy, while the U.S. Core model is a large cap equity rotation strategy. The model provided for the DWEQ utilizes two layers of relative strength, investing in high relative strength equities from sectors or industry groups showing outperformance, and also includes a defensive feature that allows the strategy to gradually add cash based on market indicators.

♦ *Arrow Funds* ♦

Dorsey Wright licenses models to Arrow Funds for use in two mutual funds and two exchange traded funds (ETFs). The Arrow Funds DWA Balanced Fund (DWAFFX) is based upon the DWA Balanced Model, a model that invests in five (5) areas: Sector Rotation, Style Rotation, International Rotation, Fixed Income Rotation, and an Alternative Rotation. The Fund will rely primarily on relative strength when making the allocation decisions but other technical indicators may be used.

The Arrow DWA Tactical Fund (DWTFFX) and the Arrow DWA Tactical ETF (DWAT) are based upon the DWA Tactical Model, a model that provides broad diversification across markets, sectors, styles, long



and inverse domestic and international equities, fixed income, currencies and commodities primarily using Exchange Traded Fund (ETFs) instruments. The Model is constructed pursuant to our proprietary ranking and rotation methodology.

The Arrow DWA Country Rotation ETF (DWCR) seeks to track the Dorsey Wright Country and Stock Momentum Index. The Index's methodology is designed to select the top 10 strongest performing countries out of a universe of approximately 40 countries. Once a country is identified for inclusion within the Index, the Index methodology is designed to identify 10 companies that demonstrate powerful relative strength characteristics within that country. The Index is equally weighted and rebalanced and reconstituted on a quarterly basis.

♦ *AssetMark* ♦

Dorsey Wright acts as a research provider by providing AssetMark with investment models for their clients to follow. Dorsey Wright does not have discretion in the client accounts and solely provides broad investment models.

♦ *First Trust* ♦

Dorsey Wright acts as a consultant to First Trust Portfolios L.P. in connection with the First Trust Dorsey, Wright Relative Strength Top 50 unit investment trust series as well as the First Trust Dorsey, Wright Relative Strength Dividend unit investment trust series. The securities selected for inclusion within a series of the First Trust Dorsey Wright Relative Strength Top 50 are selected based on relative strength. The securities selected for inclusion within each series of the First Trust Dorsey Wright Relative Strength Dividend are selected based on a combination of relative strength and dividend yield. Each series of the unit investment trust is designed to be held over the fixed 15-month term of the trust.

Dorsey Wright licenses the Dorsey Wright Focus Five Index, the Dorsey Wright Dynamic Focus Five Index, the Dorsey Wright International Focus Five Index, the Nasdaq Dorsey Wright DALI1 Index, the Nasdaq Dorsey Wright People's Portfolio Index, the Dorsey Wright Momentum Plus Low Volatility Index, the Dorsey Wright Momentum Plus Dividend Yield Index, and the Dorsey Wright Momentum Plus Value Index to First Trust Advisors L.P. for use in the First Trust Focus 5 ETF (FV), the First Trust Dorsey Wright Dynamic Focus 5 ETF (FVC), the First Trust International Focus 5 ETF (IFV), the First Trust Dorsey Wright DALI1 ETF (DALI), the First Trust Dorsey Wright People's Portfolio ETF (DWPP), the First Trust Dorsey Wright Momentum & Low Volatility ETF (DVOL), the First Trust Dorsey Wright Momentum & Dividend ETF (DDIV), and the First Trust Dorsey Wright Momentum & Value ETF (DVLU), respectively. The FV seeks to track the Focus Five Index, an index designed to provide targeted exposure to the five First Trust sector and industry based ETFs identified by Dorsey Wright's index methodology to possess high relative strength. First Trust sector and industry based ETFs provide the universe for the index selection and the Focus Five Index always contains five ETFs. The Focus Five Index follows the Dorsey Wright Focus Five Model that Dorsey Wright has been publishing within its Equity Chart Database Service since late-October 2009. The Focus Five strategy is also licensed for use on unified managed account (UMA) platforms. The FVC utilizes the same methodology as the

Focus Five Index (described above), however, in instances where relative strength diminishes across the equity sectors, the Dynamic Focus Five Index can raise varying amounts of exposure to a cash equivalent. The IFV seeks to track the International Focus Five Index, an index designed to provide targeted exposure to the five First Trust country and region based ETFs identified by Dorsey Wright's index methodology to possess high relative strength. First Trust country and region-focused ETFs provide the universe for the index selection and the International Focus Five Index always contains five ETFs. The International Focus Five Index follows the Dorsey Wright International Model that Dorsey Wright has been publishing within its Equity Chart Database Service since late-February 2012. The DALI seeks to track the Nasdaq Dorsey Wright DALI Index, an index that utilizes Dorsey Wright's Dynamic Asset Level Investing (DALI) framework to allocate to the top asset class among Domestic Equities, International Equities, Fixed Income, and Commodities via sub-indexes composed of ETFs. The DWPP seeks to track the Nasdaq Dorsey Wright People's Portfolio Index, an index designed to provide exposure to either the cap-weighted basket of equities representing the U.S. equity market, an equal-weighted basket of equities representing the U.S. equity market, or T-bills, based upon daily relative strength readings resulting from Dorsey Wright's relative strength comparison process. The DVOL seeks to track an index of approximately 50 stocks from a starting universe of U.S. large and mid-cap equities that exhibit relatively low levels of volatility, while maintaining high levels of relative strength. The DDIV seeks to track an index of approximately 50 high dividend paying stocks that also maintain high levels of relative strength from a starting universe of U.S. large and mid-cap equities. The DVLU seeks to track an index of approximately 50 undervalued stocks, as measured by value oriented metrics (Price-to-Sales, Price-to-Book, Price-to-Earnings, Price-to-Cash), while maintaining high levels or relative strength, from a starting universe of U.S. large and mid-cap equities.

Dorsey Wright also licenses the Dorsey Wright Tactical Tilt Moderate Core Index to First Trust Advisors L.P. for use in a Variable Insurance Trust, the First Trust Dorsey Wright Tactical Core Portfolio. The Dorsey Wright Tactical Tilt Moderate Core Index is constructed using Dorsey Wright's relative strength-based Dynamic Asset Level Investing ("DALI") asset allocation process. The Index is designed to allocate its investments among the domestic equity, international equity, fixed income, and cash asset classes. The Index gains exposure to the domestic equity, international equity, and fixed income asset classes through investment in ETFs.

Dorsey Wright licenses models to other registered investment advisors and unified managed account (UMA) platforms. These model portfolios are built with exchange traded funds or open-end mutual funds as asset allocation investment solutions for all, or part of a portfolio. These are impersonal, non-discretionary, advisory solutions and Dorsey Wright is compensated on an AUM basis for assets participating within the guided models. Dorsey Wright licenses such guided models to Carson Wealth Management (CWM) for use by their representatives within client portfolios, and is compensated for this licensing arrangement by First Trust, who pays Dorsey Wright for all assets invested in the First Trust products included within the guided models provided to CWM. There are First Trust products within the guided models that Dorsey Wright or Nasdaq receives index licensing fees on, and in those cases Dorsey Wright (or Nasdaq) will receive a fee from First Trust based on assets participating the CWM guided model, as well as the licensing fees to Dorsey Wright from First Trust for assets invested in the guided models attributable to First Trust exchange traded funds.

Invesco is an exchange traded product provider with a family domestic and international ETFs. Invesco ETFs trade on U.S. stock exchanges, as well as exchanges throughout Canada and Europe (source: [www.invesco.com](http://www.invesco.com), 3/11/2019).

Dorsey Wright created thirteen Technical Leaders indices. Technical Leaders indices are all constructed mechanically, using objective criteria from Dorsey Wright's proprietary ranking system, and contain between thirty and two hundred high relative strength stocks. The DWA tactical indices are also rules-based, using objective criteria to rank a potential investment inventory of ETFs. Dorsey Wright licenses these indices to Invesco for use in 16 exchange traded funds. The Invesco exchange traded funds that utilize Dorsey Wright Technical Leaders or tactical indices are listed below.

- Exchange Traded Funds that utilize a Dorsey Wright Technical Leaders Index:

- ◆ Invesco DWA Momentum (PDP)
- ◆ Invesco DWA Developed Momentum (PIZ)
- ◆ Invesco DWA Emerging Momentum (PIE)
- ◆ Invesco DWA Smallcap Momentum (DWAS)
- ◆ Invesco DWA Basic Materials Momentum (PYZ)
- ◆ Invesco DWA Consumer Discretionary Momentum (PEZ)
- ◆ Invesco DWA Consumer Staples (PSL)
  
- ◆ Invesco DWA Energy Momentum (PXI)
- ◆ Invesco DWA Financial Momentum (PFI)
- ◆ Invesco DWA Healthcare Momentum (PTH)
- ◆ Invesco DWA Industrials Momentum (PRN)
- ◆ Invesco DWA Technology Momentum (PTF)
- ◆ Invesco DWA Utilities Momentum (PUI)

- ◆ *ProShares* ◆

In May 2021, Proshares partnered with Dorsey Wright & Associates to create the Nasdaq-100 Dorsey Wright Momentum Index (QQQA) to help investors take advantage of their findings regarding the potential of momentum. The Nasdaq-100 Dorsey Wright Momentum selects and equally weights the top 21 stocks ranked by Relative Strength every quarter. Once chosen, stocks will remain in the index until they fall to a certain sell threshold, in which case they will be replaced at the next quarterly reconstitution. This approach allows outperforming stocks to continue to run while reducing portfolio turnover. It also helps the index keep pace with changing momentum trends in the Nasdaq-100 Index.

- ◆ *RiverFront* ◆

Dorsey Wright & Associates has entered into a Co-Developed Mode; Agreement with RiverFront whereby RiverFront and DWA have co-developed models that are used to make the investment selections for the RiverFront DWA Fusion Large Cap (“RDFLC”) and RiverFront DWA Small Cap (“RDFDC”) portfolios.

Dorsey Wright and RiverFront are each responsible for establishing fees for providing its respective model portfolios to clients. Dorsey Wright and RiverFront will split the total fees collected on any of the co-developed model portfolios, net of certain costs or expenses incurred by either party.

Dorsey Wright wishes to avoid the potential or even the appearance of front-running or conflict of interest that such an Index might have in regard to our investment management business. Dorsey Wright has instituted policies and procedures designed to guard against potential conflicts between investment management accounts and DWA Technical Leaders ETF investors. These policies and procedures will not negatively impact Dorsey Wright's obligation to the investment management clients. Dorsey Wright will not use identical methodology for the investment management accounts. Instead, only selected output of the proprietary ranking system, applied subjectively, will be used in the investment management accounts.

♦*Strategy Shares*♦

Dorsey Wright partnered with Nasdaq Index Group and Strategy Shares to create the Nasdaq 5HANDL and Nasdaq 7HANDL ETFs. The 5 & 7HANDL indices are split into two components with a 50% allocation to fixed income and equity ETFs (core Portfolio) and a 50% allocation to a "Dorsey Wright Explore Portfolio", a tactical allocation with U.S. fixed-income, U.S. blend, U.S. equity and U.S. alternative assets, or categories that have historically provided high levels of income. The Dorsey Wright portion of the ETF uses the tactical asset allocation methodology developed in consultation with Nasdaq Dorsey Wright Investment Research & Analysis that seeks to incorporate momentum, yield and risk.

♦ *Structured Notes* ♦

Dorsey Wright also provides indexes for use in structured products. The structured products are currently based on one of two underlying indexes. The DWA Large Cap Sector Rotation Index consists of the five State Street exchange traded funds that correspond to the five broad economic sector groups that possess the highest ranking according to Dorsey Wright's relative strength based methodology. The DWA DALI Allocation Strategy provides exposure to the top-ranked broad asset classes (inclusive of cash) based on Dorsey Wright's relative strength-based Dynamic Asset Level Investing ("DALI") asset allocation process. The DWA DALI Allocation Strategy's exposure to various asset classes is made through investment in ETFs.

## Item 5: Fees and Compensation

The current fees for Research, Seminars, and Special Services are disclosed above with the description of Fees for Investment Management are computed at an annualized percentage of assets under management on a sliding scale. The current fee schedule is set forth below.

Equity - Growth, Aggressive Growth,  
Growth & Income, Large Cap  
Fusion, Small Cap Fusion  
First \$ 500,000 1.25%  
Next \$ 500,000 1.00%

Over \$1,000,000 0.75%  
(Minimum Annual Fee: \$1,250)

Systematic Relative Strength -  
Balanced, Global Macro

First \$1,000,000 1.00%  
Next \$1,000,000 0.85%  
Over \$2,000,000 0.75%  
(Minimum Annual Fee: \$2,000)

Systematic Relative Strength –  
Aggressive, Growth, Core, International Core,  
ESG Core

First \$ 500,000 1.25%  
Next \$ 500,000 1.00%  
Over \$1,000,000 0.75%  
(Minimum Annual Fee: \$2,500)

Systematic Relative Strength –  
Tactical Fixed Income

First \$1,000,000 0.50%  
Next \$1,000,000 0.40%  
Over \$2,000,000 0.35%  
(Minimum Annual Fee: \$1,000)

Focus Five Strategy

First \$1,000,000 0.50%  
Next \$1,000,000 0.40%  
Over \$2,000,000 0.35%  
(Minimum Annual Fee: \$1,000)

Moderate Risk Endowment

First \$1,000,000 1.00%  
Next \$1,000,000 0.85%  
Over \$2,000,000 0.75%  
(Minimum Annual Fee: \$2,000)

The minimum account sizes and annual fees stated above are negotiable at the discretion of Dorsey Wright. These fees are for Dorsey Wright advisory services only and do not include any transaction fees or commissions. The fee is based on the total market value, including cash. Lower or higher fees for comparable services may be available from other sources. Exceptions are made to the base fee schedule and minimum account size at the discretion of Dorsey Wright.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor. Exchange Traded Funds (ETFs) also result in the layering of fees, as ETFs impose their own advisory and other fees. To obtain more complete information about an ETF, the documents are publicly available for free via EDGAR on the SEC website (<http://www.sec.gov>).

Advisory fees are calculated quarterly, using the value of the client account as of a specific day selected by the custodian, which can be the final day of the previous quarter or a day after the end of the previous quarter.

Generally, we do not recommend securities that are illiquid or hard-to price. Should a rare occurrence of this ever happen, DWA will value the assets in a manner determined in good faith. The asset may also be treated as having no value if this would not be misleading to clients.

Dorsey Wright does not share investment management fees with an unaffiliated sponsor firm that refers clients. Please refer to Client Referrals section for more information. The sponsor firms will be compensated under arrangements made directly with their clients, which may be commission-based and/or fee-based. Clients referred by sponsor firms should read carefully the section on Brokerage Practices (Brokerage for Client Referrals and Trade Aggregation).

The fee will be payable quarterly in advance. The first payment is due and payable upon execution of the Agreement, and will be assessed pro-rata in the event the Agreement is executed other than the first day of the new calendar quarter. Subsequent payments are calculated on the first day of each calendar quarter based on the value of the account assets under management as of the close of business on the last business day of the preceding quarter.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by Dorsey Wright. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by Dorsey Wright. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Investment Management services will continue until either party terminates the agreement on thirty (30) calendar days written notice. If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

Upon termination, all assets will be held at the custodian and it will be Client's responsibility to instruct the custodian as to the final disposition of assets, unless Client specifically notifies Dorsey Wright to liquidate or take other action. As of the date of termination, Dorsey Wright will no longer be the investment advisor of record, and it will be Client's responsibility to monitor the timely disposition of the account and take all future actions in regards to the management of the account.

### *General Service and Fee Disclosures*

Fees are not collected from any investment management client more than six months in advance.

Dorsey Wright is an investment advisory firm that receives fees as compensation for research, investment management, and seminars.

Dorsey Wright is compensated for licensing certain products to other firms, such as the Technical Leaders Indices to Invesco and the Focus Five Indices to First Trust Advisors L.P. Dorsey Wright's fee is based on the assets under management. Fees for the exchange-traded funds that utilize the licensed products can be found on each exchange-traded fund's prospectus document.

Nasdaq, Inc., Dorsey Wright's parent company, is also compensated for the licensing of certain indexes to investment vehicle sponsors, and the provision of index calculation services to index providers. There are certain investment management account strategies and research models with the potential to invest in ETFs or other investment vehicles for which Nasdaq, Inc. or one of its subsidiaries would also receive a

fee based on assets within that investment vehicle. Please see Item 10 for further discussion of this potential conflict of interest.

Dorsey Wright is compensated by AdvisorShares, for sub-advisory work based on the assets under management within the AdvisorShares' investment products.

The Investment Management Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

The Investment Management agreement contains an acknowledgement and acceptance of electronic delivery of communications including the communication of any notice, advice, or report in lieu of a printed copy, including applicable disclosure documents and disclosures required under ERISA section 408(b)(2) at such email address as Client may designate in writing to Dorsey Wright. Client may revoke this consent at any time and receive all communications in hard copy form by providing written notice to DWA. Even if Client agrees to electronic delivery, Client may request a paper copy of any communication via U.S. mail at no additional cost to Client.

With respect to the RiverFront and Dorsey Wright co-developed models, both RiverFront and Dorsey Wright separately offer portfolios based on the co-developed models. Dorsey Wright and RiverFront are each responsible for establishing respective fees for providing the model portfolio to clients, Dorsey Wright and RiverFront will evenly split the total fees collected for providing the model. RiverFront will deduct certain agreed upon shared expenses pursuant to the co-developed model delivery agreement.

Dorsey Wright may provide RiverFront marketing support in the form of sharing expenses for conferences, meetings or other events designed to educate clients about the co-developed model portfolios.

## Item 6: Performance-Based Fees and Side-By-Side Management

Dorsey Wright does not charge performance-based fees, which are based on capital gains in the client account.

## Item 7: Types of Clients and Account Minimums

### Types of Clients

Dorsey Wright provides personal and impersonal advisory services to individuals, banking institutions, pension and profit sharing plans and other ERISA accounts, trusts, estates, and business entities.

Dorsey Wright acts as sub-advisor to collective investment funds, a licensor to providers of exchange-traded funds (ETFs) and exchange traded notes (ETNs), certificates of deposit and structured products, a licensor to providers of variable insurance trusts, and a consultant to providers of unit investment trusts.

Dorsey Wright licenses model or index products to one or more Registered Investment Advisers and Broker-dealers.

Dorsey Wright has arrangements with other investment advisors to act as sub-advisor for the purpose of providing investment research, making investment recommendations or trading. Clients would sign an advisory agreement for the other investment advisor and would not be clients of Dorsey Wright. When we act as sub-advisor, the client’s primary investment advisor may offer within its Investment Advisor Brochure to provide Dorsey Wright’s Investment Advisor Brochure.

Account Minimums

Dorsey Wright has minimums for account size and fees, subject to exceptions.

	<u>Minimum Size</u>	<u>Minimum Fee</u>
• Equity Account (Growth, Aggressive Growth, Growth & Income Large Cap Fusion, Small Cap Fusion)	\$100,000	\$1,250
• Systematic Relative Strength (Aggressive, Core, International Core, ESG Core)	\$200,000	\$ 2,500
• Systematic Relative Strength (Balanced, Global Macro)	\$200,000	\$ 2,000
• Tactical Fixed Income	\$200,000	\$ 1,000
• Focus Five	\$200,000	\$ 1,000
• Moderate Risk Endowment	\$200,000	\$ 2,000

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

The Research and investment process for the Dorsey Wright Investment Management accounts are firmly based on our principles of research. We at Dorsey Wright believe that our methods, when followed rigorously, can help mitigate the risk and uncertainty that are inherent in all investments. There is no guarantee that the investment strategy selected for the client will result in the client’s goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Dorsey Wright uses internally generated charts and proprietary relative strength methods based on technical security analysis as a main source of information for our research reports and investment management services.



Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price. Technician's use various methods and tools – the study of price charts is but one. Technical analysis holds that prices reflect all factors that are known to investors.

Technical analysis does not take into consideration fundamental analysis, which looks at how well the company is operating and its competitive advantages.

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (i.e. the securities were not sold to “lock in” the profit). Stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage. We will do our very best in the management of investors' assets; however, Dorsey Wright cannot guarantee any level of performance or that account assets will not be lost. Dorsey Wright does not represent, warrant, or imply that the services or method of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from major losses due to market corrections or crashes. No promises or assumptions can be made that the advisory services offered by Dorsey Wright will provide a better return than other investment strategies.

There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange, rate fluctuations, and limited availability of information on international securities. Dorsey Wright and their affiliates make no representation that the companies that issue securities that are the subject of their research reports are subject to, or in compliance with, certain informational reporting requirements imposed by the Securities Exchange Act of 1934. Sales of securities covered in the research reports may be made in only those jurisdictions where such securities are qualified for sale. Individuals should seek professional guidance in assessing their own objectives and risk tolerance.

Dorsey Wright is disclosing those risks and opportunities for the types of securities used:

- A Stock represents ownership in a company. If the company prospers and grows, the value of the stock may increase. Even if a company is profitable, the stock prices are subject to “market risk” which is attributable to investor attitudes, and/or the performance of the broad economy. Stock ownership in more established companies tends to be more conservative, while younger companies typically provide the most risk and reward opportunities.
- Debt Securities (corporate or municipal bonds) are basically promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with as high a return or yield.
- A Government Bond is a fixed-income security issued and backed by an agency of the United States Government.

- A Mutual Fund is an investment pool, which may include money market instruments, stocks, bonds, or other investment vehicles. Professional money managers research, select, and monitor the performance of the securities the fund purchases. It is often easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds. Even with no-load or load-waived funds, there are mutual fund expenses paid to the fund company. Investors may have to pay taxes on capital gains distribution received by the fund, but not distributed to the investor. Mutual funds redeem shares at net asset value (“NAV”) at the end of the trading day.
- A Unit Investment Trust (“UIT”) is similar to a mutual fund, but once the UIT selects the securities it will hold them. The portfolio is not actively managed and does not sell securities in response to ordinary market fluctuations. There may be special risks if a portfolio is concentrated within a specific sector of the market.
- An Exchange Traded Fund (“ETF”) holds securities to match the price performance of a certain market index or commodity. ETFs can track stock indexes and sectors, bonds, precious metals, or other assets. ETFs are subject to the same market risks as the index or sector they are designed to track. ETFs can be bought and sold throughout the day like stocks. ETFs may be an index fund or a fully transparent actively managed fund.
- An Exchange Traded Notes (“ETN”) is a senior, unsecured, unsubordinated debt security typically linked to the performance of an index, strategy, or benchmark. The note has a fixed maturity, is backed by the credit of the issuer, and is traded on an exchange
- A Variable Insurance Trust (“VIT”) is an investment vehicle for life insurance companies writing variable annuity contracts and variable life insurance contracts.
- A Futures contract is a standardized contract between two parties to buy or sell a specified asset (e.g. oranges, oil, gold) of standardized quantity and quality at a specified future date at a price agreed today (the futures price). The contracts are traded on a futures exchange. Futures contracts are not “direct” securities like stocks or bonds. They are still securities, however, although they are a type of derivative contract. The underlying asset to a futures contract may not be traditional “commodities” – that is, for financial futures, the underlying asset or item can be currencies, securities or financial instruments and intangible assets or referenced items such as stock indexes and interest rates. Futures traders are traditionally placed in one of two groups: hedgers, who have an interest in the underlying asset, and are seeking to hedge out the risk of price changes; and speculators, who seek to make a profit by predicting market moves and opening a derivative contract related to the asset “on paper,” while they have no practical use for or intent to actually take or make delivery of the underlying asset. Trading security futures contracts may not be suitable for all investors. You may lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with your broker. This is because futures trading is highly leveraged, with a relatively small amount of money used to establish a position in assets having a much greater value. If you are uncomfortable with this level of risk, you should not trade security futures contracts.
- A Certificate of Deposit (“CD”) is a special type of deposit account with a bank or thrift institution that typically offers a higher rate of interest than a regular savings account. Unlike other

investments, CDs feature federal deposit insurance up to \$250,000. When you purchase a CD, you invest a fixed sum of money for a fixed period of time – six months, one year, five years, or more – and, in exchange, the issuing bank pays you interest, typically at regular intervals. When you cash in or redeem your CD, you receive the money you originally invested plus any accrued interest. If you redeem your CD before it matures, you may have to pay an “early withdrawal” penalty or forfeit a portion of the interest you earned. Since CDs are debt instruments, there is credit risk associated with their purchase, although the insurance offered by the FDIC may help mitigate this risk.

- Structured products are securities derived from or based on a single security, a basket of securities, an index, a commodity, a debt issuance and/or a foreign currency (“underlying assets”). The return of a structured product is linked to performance of the underlying assets. Some structured products offer full protection of principal invested while others may offer limited or no protection of principal. Structured products are unsecured debt obligations of the issuer, so there is a credit risk associated with their purchase. There is also a liquidity risk associated with structured products, as they are generally not listed on an exchange or may be thinly traded. Investors who need to sell their structured products prior to maturity are likely to receive less than the amount they invested.
- A master limited partnership (“MLP”) is a limited partnership that is publicly traded on a securities exchange, combining the tax benefits of a limited partnership with the liquidity of a publicly traded security. Shares of ownership are referred to as units and MLPs generally operate in the natural resources, financial services, and real estate industries. MLPs make distributions similar to dividends; however, cash distributions are not guaranteed and every unit holder is responsible for the taxes on his/her proportionate share of income, even if the MLP does not pay a cash distribution. MLPs must mail an IRS Schedule K-1 to each of their unit holders every year.
- A collective investment fund (“CIF”) is a bank-administered trust that holds commingled assets that meet specific criteria established by 12 CFR 9.18. The bank acts as a fiduciary for the CIF and holds legal title to the fund’s assets. CIFs allow banks to avoid costly purchases of small lot investments for their smaller fiduciary accounts. CIFs are bank maintained and not registered with the SEC. The Declaration of Trust for the Trust describes the procedures for admission to and withdrawal from a CIF.
- RS Core ESG:

The DWA Systematic RS Core ESG strategy invests in securities selected from the Nasdaq US Mid+Large Index which are screened by a third party vendor for Environmental, Social, and Governance (“ESG”) factors as a criteria for inclusion. The vendor, Sustainalytics, categorizes issuers based on a composite of multiple ESG factors and assigns each issuer to one of five ESG categories: Negligible, Low, Medium, High, and Severe. Dorsey Wright does not participate in the screening process. The Dorsey Wright universe for the strategy is composed of companies from the abovementioned index which receive a Negligible or Low Sustainalytics rating. Dorsey Wright will further accept individual account restrictions for the ESG strategy for any client identified specific issues that go beyond the Sustainalytics ranking system.

RiverFront DWA Fusion Large Cap Portfolio and RiverFront DWA Fusion Small Cap Portfolio

As described in Item 4, the RiverFront DWA Large Cap Portfolio (“RDFLC”) and the RiverFront DWA Fusion Small Cap Portfolio (“RDFSC”) each use an investment model provided by Dorsey Wright to determine what investment selections for the two portfolios. The models employ one or more variable or characteristics with which individual asset returns are correlated “Factors.” For each RiverFront provided Factor, RiverFront provides Dorsey Wright with proprietary scores for those Factors and Dorsey Wright creates the model using a combination of RiverFront’s Factor scores and Dorsey Wright’s proprietary (for example “Momentum”) scores and portfolio construction.

The RiverFront DWA Fusion Large Cap portfolio is a domestic equity model that will invest in approximately 50 US stocks selected from the 1,000 largest US companies based on a combination of their market cap and current index membership. The RiverFront DWA Small Cap Portfolio is a domestic equity model that will invest in approximately 75 US stocks selected from the small cap universe, including but not limited to the Russell 2000 index. The Russell 2000 Index measures the performance of the small cap segment of the US equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Both the Small Cap and Large Cap portfolios are constructed by using a combination of fundamental and technical tools. In the first step of the process, RiverFront uses a scoring system to identify those stocks that we believe have the most attractive value and quality characteristics. RiverFront considers multiple factors within each category, such as the free cash flow to price ratio when determining value, and the debt to equity ratio when determining quality. RiverFront then assigns each qualifying security a score based on these characteristics. In the second setup of the process, Dorsey Wright uses price momentum-based measurements from the point and figure charting methodology. Dorsey Wright believes that the point and figure analysis is more effective at identifying meaningful price movements in stocks than more traditional charting methods. Dorsey Wright’s ranking system rewards for sustained outperformance versus the broad market with reasonable volatility.

## Item 9: Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to client’s evaluation of the advisory business or of the integrity of its management personnel. Dorsey Wright does not have any such disclosure items.

## Item 10: Other Financial Industry Activities and Affiliations

Dorsey Wright is registered as a Commodities Trading Adviser and may buy and sell futures contracts. Dorsey Wright makes no commissions from implementing commodities advice.

Nasdaq, Inc. is a publicly traded corporation (NDAQ). Its subsidiaries include The Nasdaq Stock Market LLC, Nasdaq PHLX LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq GEMX, LLC, and Nasdaq MRX, LLC, all of which are SEC-registered national securities exchanges, Nasdaq Execution Services, LLC, Nasdaq Capital Market Advisory, LLC, Execution Access, LLC, NPM Securities, LLC and SMTX, LLC, all of which are SEC registered broker-dealers and FINRA member organizations, Nasdaq CXC Limited, a Canadian recognized exchange for the trading of TSX, TSXV and CSE-listed securities. Nasdaq, Inc. also has subsidiaries that are foreign securities exchanges that receive listing and trading fees.

Dorsey Wright will not publish research or make recommendations concerning NDAQ, nor trade the security for its Investment Management clients. Dorsey Wright does, however, publish research on, recommend or trade other securities listed on the Nasdaq exchanges, which receive fees from the listed companies and futures. Dorsey Wright will not take into account where a security is listed or traded in exercising its independent judgment for clients. In addition, Dorsey Wright does not manage or control where clients' broker/dealers route orders for execution. Accordingly, client orders may be routed to the subsidiaries of Nasdaq, Inc. for execution. These markets receive trading fees.

Nasdaq, Inc. and its subsidiaries receive index licensing fees from investment product sponsors, as well as index calculation fees from index providers. These fees are often asset based. With respect to ETFs and other investment products for which Nasdaq, Inc. or its subsidiaries may receive licensing or other asset-based fees, Dorsey Wright will, from time to time, (i) recommend such an ETF or other investment product in research for which Dorsey Wright receives fees; (ii) include such an ETF or other investment product in models or indexes for which Dorsey Wright receives an asset based fee; and/or (iii) recommend or include such an ETF or other investment product in the investment management accounts. While Dorsey Wright does not receive any portion of Nasdaq's fees directly, the firm will indirectly benefit as a subsidiary that is part of a Nasdaq business unit. To manage this potential conflict of interest, in the case of Dorsey Wright research or index and model licensing, Dorsey Wright would only include the Nasdaq investment product if the product helps to meet the stated objectives of the strategy and it otherwise meets the rules-based methodology associated with the strategy. In the case of the investment management accounts, Dorsey Wright will only recommend or include the Nasdaq investment product when the recommendation is suitable and meets the client's stated investment objectives. Dorsey Wright will not take into account the fees received by Nasdaq, Inc. and its affiliates in exercising Dorsey Wright's independent judgment for clients.

"We have a broker/dealer affiliate, Nasdaq Capital Markets Advisory, LLC, (NCMA) which is engaged in marketing certain Exchange Traded Funds which are based on Dorsey Wright models, indexes, or other intellectual property. Some of Dorsey Wright's personnel are also providing services for NCMA and some are dually registered with Dorsey Wright and NCMA. This is a conflict of interest in that Dorsey Wright and its personnel have an incentive to promote those ETF's in our research, commentary, public statements, and models. Where our employees are performing services for both firms, they are being compensated for the services they provide to NCMA as well as the services they provide to Dorsey Wright. We mitigate this conflict by disclosing these conflicts to you, and by excluding all these ETF's from our discretionary investment advice services.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

### Code of Ethics

Dorsey Wright maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel, requires compliance with Federal securities laws, and addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

### Personal Trading

Dorsey Wright's goal is to be fair to its research (impersonal services) clients, its investment management (personal advisory services) clients, clients of its licensing services, and sub advisory clients. Dorsey Wright and its access persons will not use information for personal gain. At times, Dorsey Wright or its access persons will take positions in the same securities as clients, and we will try to avoid conflicts with clients. Dorsey Wright and its access persons will generally be 'last in' and 'last out' for the trading day when trading occurs in close proximity to investment management client trades. We will not violate the Advisor's fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. If a security is prudent for an investment management portfolio and/or a recommendation is made in a research report we generate, we shall give clients adequate opportunity to act before acting on our own behalf. In addition, to mitigate conflicts with clients of Dorsey Wright research and subscription services, Dorsey Wright has implemented policies and procedures such as restricted periods wherein employees are prohibited from trading certain securities.

Dorsey Wright does not offer clients investments in initial public offerings ("IPOs,") private placements, or thinly traded securities because that is not the investment philosophy of the Investment Management Accounts. However, Dorsey Wright and/or its IA Reps may have different investment objectives and/or risk tolerance than that of the managed accounts, and thus at times may invest in these types of securities that are not offered to clients.

Should a conflict with clients occur because of materiality (e.g., the access person or firm has an existing position in a thinly traded stock), disclosure will be made to the client(s) at the time of trading or the research report is released. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading if the access person or firm has an existing position.

Dorsey Wright licenses index products to various exchange traded fund providers (please see Item 4 for details on the index products). Dorsey Wright provides research reports on the various exchange traded fund providers' ETFs.

### Principal and Agency Cross Transactions

Dorsey Wright does not engage in principal transactions with or agency cross transactions for, investment management clients.

## Item 12: Brokerage Practices

### Client Referrals from Brokers

Dorsey Wright will generally maintain an existing broker/dealer relationship when the client is referred to Dorsey Wright. In maintaining the existing broker/dealer relationship, a conflict of interest may exist in obtaining best execution by Dorsey Wright on behalf of the client. A conflict of interest may exist in

obtaining future referrals from a broker/dealer if Dorsey Wright did not maintain these existing relationships.

### Directed Brokerage

Client may direct brokerage to a particular broker/dealer other than the referring broker/dealer. In both these instances, it is up to the client to negotiate the commission rate, as Dorsey Wright does not. The client may not be able to negotiate the most competitive rate. As a result, clients may pay materially disparate commissions. In these instances, the client may not be able to participate in aggregated (“blocked”) trades, which may help reduce the cost of execution. When a client directs us to execute their trades through a particular broker/dealer, the client may incur higher than usual commissions, transaction costs, custodial and transfer fees, and other administrative costs which may not be readily apparent. Dorsey Wright does not collect or benefit from these charges.

### Recommendation of Broker/Dealers

Where the client is not referred by an existing broker/dealer and/or the client does not otherwise designate a broker/dealer, Dorsey Wright will recommend a broker/dealer at the client’s request; however, ultimately it is the client’s decision to select a broker/dealer and custodian. Dorsey Wright does not receive a referral fee from recommended broker/dealers.

### Soft Dollar Practices

Dorsey Wright does not receive any “soft dollar” compensation from a brokerage firm. Soft dollars means products and services (anything other than trade execution) that an investment advisor receives from (or through) a broker/dealer in exchange for commissions paid by a client. Soft dollars is a rebate of client commissions to the advisor in the form of goods or services.

### Trade Aggregation

Dorsey Wright often executes block trades when there are a number of accounts using the same broker/dealer. When a client is referred to Dorsey Wright, and the client already has an existing brokerage relationship, we will maintain this relationship using the broker/dealer’s commission or fee schedule. This practice results in Dorsey Wright utilizing many different firms and limits block trading capabilities. When placing trades at various firms, the order of trade communication is random so that no client is systematically disadvantaged relative to another client.

When the firm, in its sole discretion, believes it is in the best interests of its clients to do so, it will aggregate trades in the same security and then allocate them across client accounts. We do this because we believe that it will result in better execution prices and overall lower trading costs to our clients.

Block trading is subject to the ability of the broker/dealer to accept block trades. While generally not the case, some brokerage firms may require Dorsey Wright to call trades to the various branch offices and not to a central desk, thus delaying timely trading and the ability to seek best execution.

Individual investment advice and treatment will be accorded to each advisory client within a block trade. All trades within a block will be aggregated and done in the name of the Dorsey Wright. The executing broker will be informed that the trades are for the account of Dorsey Wright's clients and not for Dorsey Wright itself. No advisory account within the block trade will be favored over any other advisory account, and, thus, each account will participate in an aggregated order at the average share price and commissions will be applied on the same basis (or lower) as if the trade had been entered on an individual basis. Dorsey Wright will not aggregate a client's order if in a particular instance Dorsey Wright believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account.

Dorsey Wright utilizes a trade rotation policy to determine the order in which each sponsor firm receives trade communications related to a particular strategy. Due to the sequence of placing trades for accounts with sponsor firms, it is possible that accounts that are traded earlier in the rotation may receive a more or less favorable execution. The rotation is used in an effort to create an orderly trading process that over time provides fairness in the trading order. We reserve the right to deviate from this procedure within the discretion of our investment team, because of, among other reasons: a) the security involved, b) DWA's view as to the best interest of affected clients, c) market conditions at the time of the order, or d) the investment strategy being traded

## Item 13: Review of Accounts and Reports on Accounts

### Reviews

Investment management services include the continuous review of underlying assets to determine what, if any, action is necessary and timely.

The client account reviews are performed by our CCO, primarily using reports produced by our back-office system, SEI Investment Managers Services, Inc. and other systemic processes. Additionally, the CCO performs reviews of Investment Management client new accounts.

### Reports

The client receives a copy of each confirmation (unless the client has chosen to suppress the confirmations), as well as a copy of the standard account statement from the qualified custodian of his or her respective brokerage firm. For sponsor firm client accounts, where Dorsey Wright has an investment management agreement with the client, Dorsey Wright also sends quarterly statements that show the portfolio, value, and basis for fees charged.



## Item 14: Client Referrals & Other Compensation

### Referral Fees Paid

Dorsey Wright does not currently have any unaffiliated solicitors that refer Investment Management clients; however, in the future Dorsey Wright may compensate for client referrals. All solicitors' agreements will comply with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will be observed. All clients procured by solicitors for personal advisory services will be given full written disclosures describing the terms and fee arrangements between the advisor and the solicitor prior to or at the time of entering into the advisory agreement. All clients procured by solicitors for impersonal advisory services (subscriptions) will be offered Form ADV 2A.

Dorsey Wright currently has an arrangement with its parent company, Nasdaq, Inc., wherein Nasdaq sales representatives sell Dorsey Wright's impersonal advisory services such as the licensing of Dorsey Wright models, as well as subscriptions to the research website. The Nasdaq sales representatives also refer potential investment advisory clients to Dorsey Wright's asset management business. Dorsey Wright does not compensate Nasdaq for these services.

Dorsey Wright attempts to get competitive commission rates for its clients, subject to existing relationships. At times, a registered representative of a broker/dealer will refer a client to Dorsey Wright, with instructions to direct brokerage to the firm. Dorsey Wright does not pay a referral fee. Generally the broker/dealer and its registered representatives will be compensated by commissions, or other agreed upon arrangements. Dorsey Wright reserves the right to execute trades at other broker/dealers if Dorsey Wright believes the client will not receive best execution at his or her existing broker/dealer relationship. In requesting directed brokerage, the client should satisfy himself or herself that they are receiving best execution, which includes price, commissions, transaction fees, timeliness of execution, research, and other factors.

## Item 15: Custody

Dorsey Wright is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

Clients will receive account statements at least quarterly from their broker-dealer or other qualified custodian. Clients are urged to compare custodial account statements against statements prepared by Dorsey Wright for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes. Clients should contact Dorsey Wright's CCO, using the contact information listed on the cover page of this Brochure, if there are discrepancies between the custodial account statements and the quarterly statement he or she receives from Dorsey Wright.

## Item 16: Investment Discretion

The Dorsey Wright Investment Management division maintains full discretion under a limited power of attorney as to the securities and amount of securities held within the Investment Management accounts. On occasion, a client may direct DWA to make a trade in their separately managed account.

Dorsey Wright will not have authority to withdraw client funds/securities or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

### Item 17: Voting Client Securities

Dorsey Wright has the authority to vote proxies, unless the client otherwise specifically directs. Dorsey Wright has engaged Institutional Shareholder Services to provide research and recommendations regarding client proxy votes, pursuant to the ISS Proxy Voting Guidelines. Dorsey Wright votes proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time. We can resolve such conflicts to include, but not limited to, documenting that votes were cast in the interest of the client. As a secondary option, we can resolve conflicts that are more material by obtaining client's informed consent to vote a proxy in a specific manner. When seeking a client's consent, we will provide the client with sufficient information regarding the matter and the nature of the conflict to enable the client to make an informed decision. Clients may contact us direct at the phone number or address listed on the first page of this document to direct specific proxy votes or to obtain information on how the client's securities were voted on behalf of the client, as well as for a description of the Institutional Shareholder Services proxy voting policy. There may be times when refraining from voting a proxy is in the client's best interest, such as when the cost of voting exceeds the expected benefit to the client. Clients may request a complete copy of our proxy voting policy.

### Item 18: Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. Dorsey Wright does not have any disclosure items in this section.

## Form ADV Part 2B Brochure Supplement

### Item 1: Form ADV Part 2B Group Brochure Supplement Cover Page

This Brochure Supplement provides information about the following IA Reps that supplements the Dorsey Wright brochure. You should have received a copy of that brochure. Please contact Lisa Johnson ([Lisa.Johnson@nasdaq.com](mailto:Lisa.Johnson@nasdaq.com)) if you did not receive Dorsey Wright's brochure or if you have any questions about the contents of this supplement.

- Myron C. Fuller, IV

Additional information about IA Reps is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### Item 2: Educational Background and Business Experience

#### Education and Business Background

#### **Myron C. Fuller, IV** – *Senior Vice President*

- Investment industry experience since 2007 including:
  - Dorsey, Wright & Associates 2007 to present
- Born 1980
- Graduated 2002 BS in Computer Science, Virginia Commonwealth University • Graduated 2007 MBA, Virginia Tech

### Item 3: Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. The IA Rep does not have any disclosure items.

### Item 4: Other Business Activities

Dorsey Wright is registered as a Commodities Trading Adviser and may buy and sell futures contracts. Dorsey Wright and its IA Reps make no commissions from implementing commodities advice.

### Item 5: Additional Compensation

An investment advisor and its IA Reps must disclose economic benefits received by non-clients for the provision of advisory services. There are no additional compensation arrangements to disclose for this IA Rep.

### Item 6: Supervision

Lisa Johnson, Chief Compliance Officer, monitors portfolios for investment objectives and other supervisory reviews. The Chief Compliance Officer may be contacted at the phone number of the main office as shown on the cover page.

## Form ADV Part 2B Brochure Supplement

### Item 1: Form ADV Part 2B Group Brochure Supplement Cover Page

This Brochure Supplement provides information about the following IA Reps that supplements the Dorsey Wright brochure. You should have received a copy of that brochure. Please contact Lisa Johnson ([Lisa.Johnson@nasdaq.com](mailto:Lisa.Johnson@nasdaq.com)) if you did not receive Dorsey Wright's brochure or if you have any questions about the contents of this supplement.

- John G. Lewis, CMT

Additional information about IA Reps is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### Item 2: Educational Background and Business Experience

#### Education and Business Background

#### **John G. Lewis, CMT – Senior Vice President, Portfolio Manager**

- Investment industry experience since 1993 including:
  - Dorsey, Wright & Associates 2002 to present
- Born 1971
- Graduated 1993 BS in Business Administration, University of San Diego
- Graduated 2002 Masters in Business Administration, University of Southern California

#### Professional Designations Qualifications

CMT - Chartered Market Technician, conferred by Market Technicians Association.

Candidates must meet the following requirements:

- Successful completion of all 3 levels of the CMT Exam.
- Gainfully employed in a professional analytical or investment management capacity for a minimum period of 3 years and regularly engaged in this capacity at the time of successfully passing all exams.

### Item 3: Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. The IA Reps do not have any disclosure items.

### Item 4: Other Business Activities

Dorsey Wright is registered as a Commodities Trading Adviser and may buy and sell futures contracts. Dorsey Wright and its IA Reps make no commissions from implementing commodities advice.

### **Item 5: Additional Compensation**

An investment advisor and its IA Reps must disclose economic benefits received by non-clients for the provision of advisory services. There are no additional compensation arrangements to disclose for this IA Rep.

### **Item 6: Supervision**

Lisa Johnson, Chief Compliance Officer, monitors portfolios for investment objectives and other supervisory reviews. The Chief Compliance Officer may be contacted at the phone number of the main office as shown on the cover page.

## Form ADV Part 2B Brochure Supplement

### Item 1: Form ADV Part 2B Group Brochure Supplement Cover Page

This Brochure Supplement provides information about the following IA Reps that supplements the Dorsey Wright brochure. You should have received a copy of that brochure. Please contact Lisa Johnson ([Lisa.Johnson@nasdaq.com](mailto:Lisa.Johnson@nasdaq.com)) if you did not receive Dorsey Wright's brochure or if you have any questions about the contents of this supplement.

- Andrew C. Hyer, CIMA®, CMT, CFP®

Additional information about IA Reps is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### Item 2: Educational Background and Business Experience

#### Education and Business Background

#### **Andrew C. Hyer, CIMA®, CMT, CFP® – Client Portfolio Manager**

- Investment industry experience since 2004 including:
  - Dorsey, Wright & Associates 2004 to present
- Born 1978
- Graduated 2003 BS in Finance and Economics, Utah State University

#### Professional Designations Qualifications

CMT - Chartered Market Technician, conferred by Market Technicians Association.

Candidates must meet the following requirements:

- Successful completion of all 3 levels of the CMT Exam.
- Gainfully employed in a professional analytical or investment management capacity for a minimum period of 3 years and regularly engaged in this capacity at the time of successfully passing all exams.

CIMA® - Certified Investment Management Analyst®, conferred by the Investment Management Consultants Association (IMCA). Candidates must complete the following requirements:

- At least three years of experience in investment management consulting or financial services
- Passed a background check and qualification examination.
- Completed an educational program from a top-25 business school.
- Successfully passed a comprehensive certification examination
- Agreed to adhere to an ethical code of professional responsibility and to complete 40 hours of continuing education every two years.

CFP® - Certified Financial Planner™, conferred by Certified Financial Planner Board of Standards, Inc. (CFP Board). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Candidates must complete the following requirements for certification:

- Completion of an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited U.S. college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- Passage of the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Completion of at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Agreement to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with the developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

FINRA Registrations-General Securities Representative (Series 7) Registered Principal (Series 24.)

### Item 3: Disciplinary Information

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. The IA Reps do not have any disclosure items.

### Item 4: Other Business Activities

Dorsey Wright is registered as a Commodities Trading Adviser and may buy and sell futures contracts. Dorsey Wright and its IA Reps make no commissions from implementing commodities advice.

Mr. Hyer is a registered representative with Nasdaq Capital Markets Advisory, LLC, an affiliated broker dealer. As a registered representative with the broker dealer, Mr. Hyer may engage in ETFs distribution activities. In this role, he may promote ETFs where Dorsey Wright & Associates serve as the index provider or licensee and will receive compensation for these activities.

#### **Item 5: Additional Compensation**

An investment advisor and its IA Reps must disclose economic benefits received by non-clients for the provision of advisory services. There are no additional compensation arrangements to disclose for this IA Rep.

#### **Item 6: Supervision**

Lisa Johnson, Chief Compliance Officer, monitors portfolios for investment objectives and other supervisory reviews. The Chief Compliance Officer may be contacted at the phone number of the main office as shown on the cover page