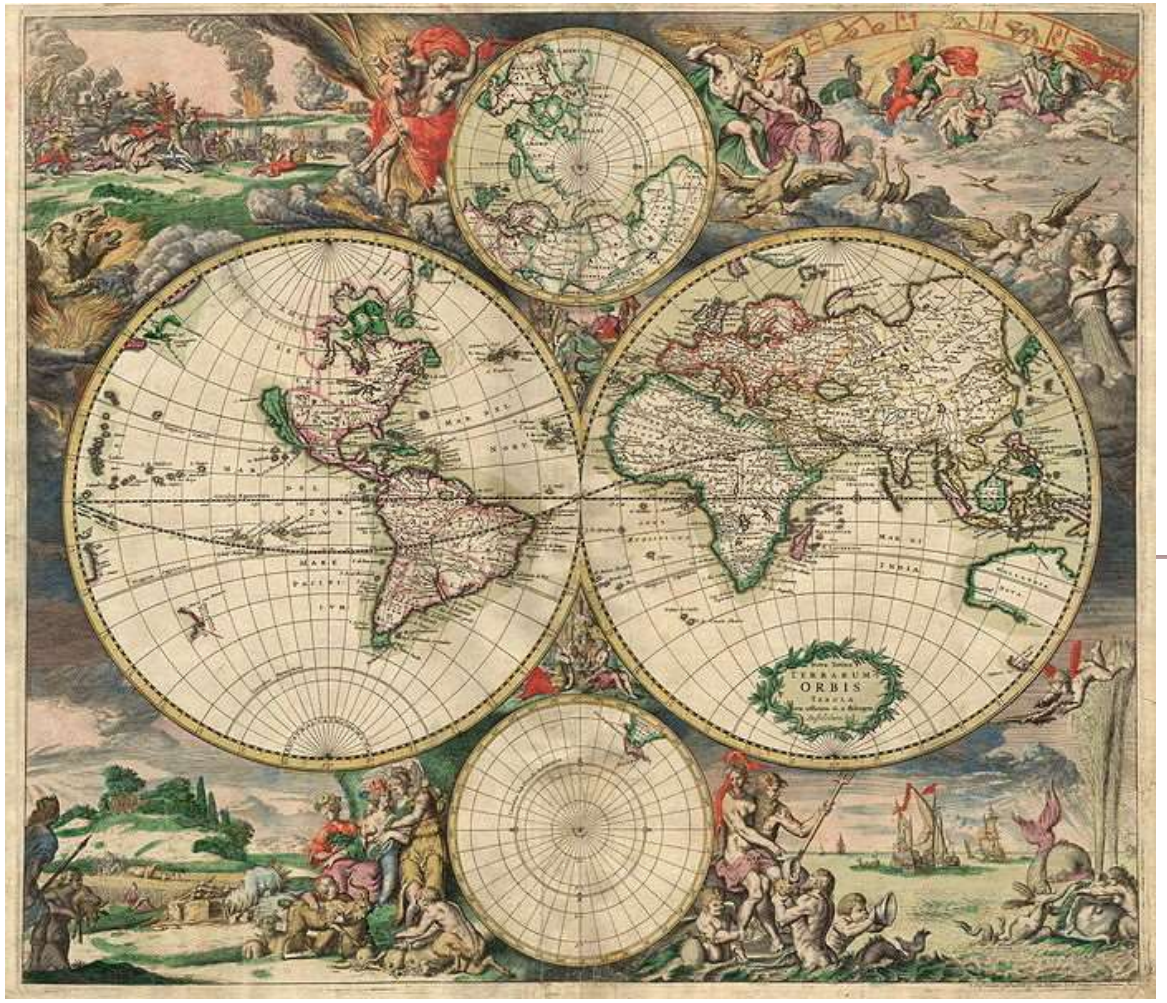

Investment Research Corporation World Capital Brokerage Advisory Services

Compliance Manual

10/31/2022

World Capital Brokerage Advisory Services ✧ Investment Research Corp
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1. General

A. Investment Research Corp, dba World Capital Brokerage Advisory Services, ("IRC") is an investment advisor registered with the United States Securities and Exchange Commission ("SEC").

B. Rule 206(4)-7 under the Investment Advisors Act of 1940 ("Advisors Act") requires each investment advisor registered with the SEC to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws and to review those policies and procedures annually. In accordance with rule 206(4)-7, IRC has established this procedures manual ("Manual") to conform to federal and state securities and investment advisor laws and regulations. IRC believes that the policies and procedures contained in this Manual are reasonably designed to detect and prevent violations of federal and state securities and investment advisor laws and regulations by IRC and its supervised persons. Section 202(a)(25) of the Advisors Act defines Supervised Persons as "any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment advisor, or other person who provides investment advice on behalf of the investment advisor and is subject to the supervision and control of the investment advisor."

C. Rule 206(4)-7 requires each advisor to adopt policies and procedures that take into consideration the nature of that firm's operations. Accordingly, this Manual is designed to prevent, detect and promptly correct any and all violations that have occurred.

D. Each Supervised Person with responsibilities in connection with IRC's activities will be provided a copy of this Manual. This Manual will be revised or supplemented as business developments and regulatory requirements dictate. IRC will provide updates to this Manual as they are released to each IAR. It is the responsibility of each IAR to keep their personal copy current.

E. Supervising Principals are responsible for monitoring the activities of all IARs under their supervision to ensure compliance with the Advisors Act and all other applicable securities laws, rules and regulations, as well as IRC's policies and procedures.

F. Failure to Comply

1. Failure to comply with any applicable law, rule, regulation or IRC policy is punishable by, up to and including, financial penalties and termination of an IAR's association with IRC as well as possible ramifications from State and Federal Regulatory Agencies.

2. IRC will have the sole authority and discretion to investigate any potential violation, determine any reporting obligations, levy any appropriate sanction and resolve the matter.

Key Personnel

Timothy E. Taggart
President, CCO and Owner
303-626-0634
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Patricia A. Blum
Vice President
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Location and Hours

Regular and overnight deliveries –
Investment Research Corporation
dba. World Capital Brokerage Advisory Services
1636 Logan Street
Denver, Colorado 80203

Monday – Friday
7:30 am – 4:00 pm
Mountain time

G. Non-compliance with any section of this manual must be immediately reported to the CCO or, if not available or practicable, to a senior member of management.

H. Trades are executed through World Capital Brokerage, Inc. by Pershing, LLC. or via a 3rd party administrator.

I. Absence of Responsible Parties.

In the absence of the CCO for a period of more than 48 hours, his duties will be assumed by the President, if he is not the CCO, or in the absence of both, the Vice President(s) or Treasurer if all others are absent. In the absence of the Vice President(s) for a period of more than 48 hours, his duties will be assumed by an appointed assistant. In the absence of the Chief Financial Officer for a period of more than 48 hours, his duties will be assumed by the President.

2. Supervisory System

In order to comply with its fiduciary obligations and supervisory responsibility under the Advisors Act, IRC has established the following:

A. Designation of Chief Compliance Officer (CCO)

Rule 206(4)-7 requires IRC to designate a Chief Compliance Officer ("CCO") to administer its compliance policies and procedures. Timothy E. Taggart has been designated as IRC's CCO.

Mr. Taggart has the responsibility for overseeing implementation of IRC's compliance program, as well as periodic review of the compliance policies and procedures. He also reviews IRC's Form ADV and other materials as appropriate, trains staff, and is responsible for detecting violations of applicable federal securities laws, rules, and regulations. Mr. Taggart may delegate day-to-day advisory compliance duties to other appropriate associates of IRC; however, he cannot delegate his overall advisory compliance responsibility to any other associate.

The CCO will attend industry-sponsored functions, network with fellow compliance specialists in the industry, and review alerts and notices disseminated by regulatory authorities, as well as consult IRC's outside legal counsel, and other third parties for items that may impact IRC's investment advisory business.

B. Additional CCO responsibilities include but are not limited to:

1. Monitoring for compliance with investment advisor disclosure and antifraud rules,

2. Monitoring for compliance with applicable advertising rules,

3. Monitoring for compliance with advisory fee rules,

4. Monitoring for compliance with all record-keeping rules, including maintenance of "separate and secure" investment advisor files,

5. Ensuring that current and accurate client files for all investment advisor client accounts are being maintained by IRC's IARs at the place from
which IRC's business is conducted,

6. Ensuring that all investment advisor files being maintained are secure and separated from any other files IRC's IAR may maintain for a client's insurance and/or other investment business. These files must include:

a. Copies of Advisor Agreements and any other agreement(s) relating to the client account,

b. Copies of new account opening documents (investor profile, risk
tolerance, Client Account Questionnaires, trust documents, etc.),

c. Copies of all investment advisor-related correspondence,

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d. Copies of checks for advisory services,
e. Copies of any fee-based financial plans delivered to clients,
f. Copies of any invoices sent to clients,
g. Quarterly account statements and annual account statements,
h. Confirmation statements, and
i. Copies of the client's acknowledgement of receipt of IRC's Form ADV Part 2.

7. All client accounts that have investment advisor activity during the year require periodic review,

C. This Manual is intended to be a permanent record which will be reviewed and updated on an annual basis by the CCO, or other appropriate associate appointed by the CCO, to comply with Rule 206(4)-7.
If the review is conducted by an appropriate person other than the CCO, the CCO must review and approve all changes made prior to publication.

3. Definition of Key Terms

A. This section of the Compliance Manual provides you with clarification of key terms that are used throughout this document. 12b-1 *Fees* - A provision that allows a mutual fund to collect a marketing or service fee from investors. This fee is designated for promotions, sales, or any other activity connected with the distribution of the fund's shares. It may also be charged for shareholder support services. The fee must be reasonable: 0.5% to 1% of the fund's net assets, and up to a maximum of 8.5% of the offering price per share.
Access Person - (a) all Supervised Persons of the Company who have access to nonpublic information regarding any Client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any reportable Fund, and (b) all Supervised Persons of the Company who are involved in making securities recommendations to Clients or who have access to such recommendations that are nonpublic. Access Persons are also considered to be Access Persons with respect to securities, transactions and accounts (a) by and of Immediate Family members living in the same household as the Access Person, and (b) in which the Access Person has a direct or indirect beneficial interest (such as a trust). If the primary business of the Company involves the provision of investment advice, then the officers and directors of the Company are presumed to be Access Persons for the purposes of the Code of Ethics.
*Agency Cross transact*ions - Means a transaction in which an investment advisor, or any person controlled by, or under common control with such investment advisor, including an investment advisor representative, acts as a dealer for both the advisory client and the person on the other side of the transaction.
Average Pricing - A representative measure of a range of prices that is calculated by taking the sum of the values and dividing it by the number of prices being examined.
Employee Retirement Income Security Act (ERISA) - protects the retirement assets of individuals by implementing rules that qualified plans must follow to ensure that plan fiduciaries do not misuse plan assets.
Fiduciary - A person legally appointed and authorized to hold assets in trust for another person. The fiduciary manages the assets for the benefit of the other person rather than for his or her own benefit.
Front Running - The unethical practice of a broker who is aware of an order to buy or sell and buys or sells the same security for his or her own account ahead of the customer's order.

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Managed Accounts - An investment account that is owned by an individual investor and looked after by a hired professional money manager for an annual management fee that typically includes all account services.
Net Asset Value (NAV) - The value of a fund's investments. For a mutual fund, the NAV per share is the total market value of all securities held by the fund divided by the number of the fund's outstanding shares. The NAV does not include sales or redemption charges.
Order Ticket - A form detailing an order instruction by a customer to a broker for the purchase or sale of a security with specific conditions.
Principal Trading - A type of order carried out by a broker-dealer which involves the broker dealer buying or selling for its own account and at its own risk, as opposed to carrying out trades for the broker/dealer's clients.
Proxy Vote - A vote cast by one person or entity on behalf of another.
Security Cross/ Index Record/ Reflecting - For each security, the name and account number of the customer and the current amount or interest owned by each customer.
Supervised Person - Any partner, officer, director, Access Person (or other person occupying a similar status or performing similar functions), or employee of the Company, or other person who (i) provides investment advice on behalf of the Company, (ii) is registered as an investment advisor representative by and through the Company, or (iii) who may be subject to the supervision and control of the Company.
Wrap Fee Program - Is usually used to describe a number of investment services that are bundled together and covered by a single fee.

4. Investment Advisors Act of 1940

A. The business activities of IRC offered to the public make IRC an "Investment Advisor," as defined in Section 202(a)(11) of the Advisors Act.
"Any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation, and as part of a regular business, issues or promulgates analyses or reports concerning securities."
Accordingly, IRC is subject to the anti-fraud and other provisions of the Advisors Act and has the following common law duties with respect to its clients: a duty of care and a duty of loyalty.

B. Anti-Fraud Provisions

1. Section 206 of the Advisors Act makes it unlawful for an investment advisor directly or indirectly to;

a. Employ any device, scheme, or artifice to defraud an existing or prospective client,

b. Engage in any transaction, practice or course of business that operates as a fraud or deceit upon any existing or prospective client,

c. Act as principal for its own account, to knowingly sell to or purchase from a client any security, or to act as broker for another person to effect any sale or purchase of any security for the account of any client, without disclosing to the client in writing before the completion of the transaction the capacity in which the advisor is acting, and obtaining the consent of the client to the transaction, or

d. Engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative.

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2. The SEC has used Section 206 to impose on advisors not only disclosure obligations but also substantive regulatory requirements. Examples of fraudulent activities that have been found to violate Section 206 include;

- **a.** Front running,
- **b.** Misrepresenting pricing methodology,
- **c.** Taking advantage of investment opportunities belonging to a client, and
- **d.** Failing to disclose commission splitting.

3. The policies and procedures of this Manual are reasonably designed to;

- **a.** prevent front running by IRC and its IARs,
- **b.** have IRC and its IARs make full and accurate disclosure to clients regarding matters that have an impact on its independence and judgment,
- **c.** have IRC and its IARs disclose receipt of commissions for sales of securities or other investment and/or insurance products offered to a client in pursuit of the client's investment objectives, and
- **d.** prevent IRC and its IARs from willfully making an untrue statement of a material fact or willfully omitting to state a material fact in any registration statement or report filed with the SEC.

C. Fiduciary Responsibility

1. In the U.S. Supreme Court decision of SEC v. Capital Gains Research Bureau the Court held that an investment advisor has a duty, under Section 206 of the Advisors Act, to act solely in the best interest of its clients and to make full and fair disclosure to the client of all material facts, particularly in those circumstances where conflicts of interest may exist. Many obligations arise from an investment advisor's fiduciary duties under Section 206. These include the duty to;

- **a.** advise the client that a basis exists where an advisory account is more suitable then a brokerage account. For example, clients who have a low level of trading activity may be better suited for a brokerage account. Realizing that this is not a one-on-one comparison; if account activity is low the advisor must be able to;
  1. justify and show that the fees the client is paying are fair and reasonable, and
  2. the client must approve in writing that they wish to remain in an advisory style account. This approval must disclose the difference in costs between a brokerage account and an advisory account.
- **b.** have a reasonable, independent basis for investment advice,
- **c.** obtain best execution for a client's transactions,
- **d.** ensure that investment advice is suitable to a client's needs,
- **e.** refrain from effecting personal transactions inconsistent with a client's interests, and
- **f.** be loyal to clients.

2. IARs and IRC may be held to a higher standard in recommending an investment to a client, than a Registered Representative who is not an IAR. An IAR and IRC must maintain sufficient information regarding a client's circumstances to determine whether particular investments are suitable. Therefore, IRC will perform a thorough and complete suitability review for each account submitted by an IAR for an advisory client.
This review must include information regarding the fees (including Rule 12b-1 fees if applicable) associated with the share class the client is investing in as well as other classes of shares within the same investment. While the client is free to

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choose a more expensive share class, it does not alleviate the responsibility of the IAR to inform the client that a lower cost share may be available. If the client chooses a more expensive share the IAR will need to attain a hand signed letter from the client stating that they are aware that other classes of shares exist and that those shares may be less expensive than the class of share they chose.

3. **Regulation Best Interest**

a. Regulation Best Interest ("Reg BI") imposes an enhanced standard of conduct on IRC, IARs and associated persons when one provides a recommendation(s) to any retail customer regarding a securities transaction or an investment strategy involving securities. IRC, its IARs and its associates must act in the retail customer's best interest and cannot place IRC's, IAR's or any associate's own interests ahead of the customer's interests. Reconditions must be based on a facts and circumstances assessed at the time the recommendation is made.

1. **Definitions.** (Pertinent to this section)

a. **"Recommendation"** is to be interpreted broadly and would include, among other things, types of accounts or an explicit recommendation to hold a security or securities. However, the following communications are excluded from the coverage of Rule 2111 as long as they do not include (standing alone or in combination with other communications) a recommendation of a particular security or securities:

1. General financial and investment information, including

a. basic investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment,

b. historic differences in the return of asset classes (e.g., equities, bonds, or cash) based on standard market indices,

c. effects of inflation,

d. estimates of future retirement income needs, and

e. assessment of a customer's investment profile;

2. Descriptive information about an employer-sponsored retirement or benefit plan, participation in the plan, the benefits of plan participation, and the investment options available under the plan;

3. Asset allocation models that are

a. based on generally accepted investment theory,

b. accompanied by disclosures of all material facts and assumptions that may affect a reasonable investor's assessment of the asset allocation model or any report generated by such model, and

c. in compliance with Rule 2214 (Requirements for the Use of Investment Analysis Tools) if the asset allocation model is an "investment analysis tool" covered by Rule 2214; and

4. Interactive investment materials that incorporate the above. A retail customer "uses" a

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recommendation when, as a result of the recommendation:

a. the customer opens a brokerage account with the broker-dealer, regardless of whether the broker-dealer receives compensation.

b. the customer has an existing account with the broker-dealer and receives a recommendation from the broker-dealer, regardless of whether the broker-dealer receives or will receive compensation, directly or indirectly, as a result of the recommendation. or

c. the broker-dealer receives or will receive compensation, directly or indirectly, as a result of the recommendation, even if the customer does not have an account at the firm. Importantly, when a retail customer has or opens an account with a broker-dealer, the customer has a relationship with that broker-dealer and is able to "use" the broker-dealer's recommendation by accepting or rejecting it.

b. A **"retail customer"** is defined as a natural person, or the legal representative of a natural person, who:

1. receives a recommendation of any securities transaction or investment strategy involving securities from a IAR; and

2. uses the recommendation primarily for personal, family, or household purposes. "Retail customer" includes a natural person receiving recommendations for his or her own retirement account. This includes, but is not limited to, IRAs and individual accounts in workplace retirement plans, such as 401(k) plans and other tax-favored retirement plans. It does not include workplace retirement plans themselves or their representatives, with the exception of a plan representative that is a sole proprietor or other self-employed individual.

c. **"legal representative"** of a natural person includes only non-professional legal representatives. Thus, even though the definition would include trusts that represent the assets of natural persons, it would not include investment professionals who act as trustee and exercise independent professional judgment.

d. **"conflict of interest"** in Reg BI as an interest that might incline a broker-dealer, consciously or unconsciously, to make a recommendation that is not disinterested.

e. **"material"** in Reg BI is if there is a substantial likelihood that a reasonable retail customer would consider it important.

f. **"material facts relating to conflicts of interest"** associated with the recommendation include how broker-dealer representatives are compensated, and material facts relating to conflicts that are associated with a recommendation.

g. **"Retail Customer Investment Profile"** includes, but not be limited to, the retail customer's age, other investments, financial situation and needs, tax status, investment objectives, investment

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experience, investment time horizon, liquidity needs, risk tolerance, and any other information the retail customer may disclose to the IAR in connection with discussing a recommendation.

h. **"retail investor"** for purposes of Form CRS is a natural person, or the legal representative of that person, who seeks to receive or receives services primarily for personal, family or household purposes.

i. **"use"** means when, as a result of the recommendation:

1. the retail customer opens a brokerage account with the BD, regardless of whether the BD receives compensation;

2. the retail customer has an existing account with the BD and receives a recommendation from the BD, regardless of whether the BD receives or will receive compensation, directly or indirectly, as a result of the recommendation; or

3. the BD receives or will receive compensation, directly or indirectly, as a result of that recommendation, even if that retail customer does not have an account at the firm.

j. **"non-professional legal representatives"** for these purposes do not include regulated financial services industry professionals such as registered investment advisers and broker-dealers; corporate fiduciaries, such as banks, trust companies, and similar financial institutions; insurance companies; and the employees and representatives of any of these firms. A former financial services industry professional, who is not currently regulated, would be treated as a nonprofessional legal representative who would be covered by the definition of "retail investor" or "retail customer".

2. Reg BI explicitly applies to a recommendation of an account type, including whether the account should be a Brokerage or Advisory account, as well as to a recommendation to roll over or transfer assets from one type of account to another. The rule also applies to both explicit and implicit hold recommendations by a IAR, to the extent the IAR has agreed to monitor the customer's account who will participate in the plan, to the extent that individual receives recommendations directly from a IAR primarily for personal, family, or household purposes.

3. Retail customers cannot waive Reg BI. IAR and IRC's responsibilities remain, certified or not, even if the client states they were not relying on recommendations.

4. Reg BI includes recommendations to open self-directed brokerage accounts.

5. There are four obligations that must be met under Reg BI.

a. **Disclosure Obligation – Form CRS.**

1. IARs are required to, before or at the time of a recommendation, provide to the customer, in writing, full and fair disclosure of:

a. material facts relating to the scope and terms of the relationship; and

b. material facts relating to conflicts of interest associated with the recommendation.

2. Under this obligation, the IAR must disclose material facts including, but not limited to;

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a. the capacity in which the IAR is acting (i.e., brokerage or advisory),
b. The IAR must disclose if they have the ability to act as an IAR if they are licensed to do so as well as the advantages and disadvantages between the two styles of these services.
c. material fees and costs applicable to the customer's transactions, holdings, and accounts
d. the type and scope of services provided and material limitations on the services and investment strategies recommended, and
e. material facts relating to conflicts of interest associated with the recommendation.

3. Material fees and costs include product level fees, such as distribution fees, platform fees, shareholder servicing fees, and sub-transfer agency fees. The IAR can, however, refer the customer to other required disclosure documents, such as a confirmation or prospectus, for details on product-level fees, and is not required to provide individualized cost disclosure to the customer.

4. IRC and the IAR must disclose whether;
a. he/she provides account monitoring services,
b. any requirements regarding minimum account size to open or maintain an account,
c. the general basis for the IAR's recommendations, and
d. risks associated generally with the IAR's recommendations.

5. Material limitations on services and investment strategies that must be disclosed include;
a. recommending only proprietary products,
b. a specific asset class, or products with third-party arrangements (e.g., revenue sharing, mutual fund service fees, a select group of issuers), and
c. any other material limitations on services and investment strategies.

6. IRC must disclose if it or the IAR receives different levels of compensation or fees for selling some products rather than others. IRC does not need to disclose information about conflicts on a recommendation-by-recommendation basis or provide specific written disclosure of the amounts of compensation received by IRC or its IARs although, depending on the facts and circumstances, it may need to disclose the general magnitude of the compensation.

7. IRC and the IAR may satisfy its disclosure obligation through electronic delivery if;
a. the investor is notified that the required disclosure information is available electronically,
b. access to information comparable to that which would have been provided in paper form and that is not so burdensome that the intended recipients cannot

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effectively access it, and

c. is evidenced to show delivery (i.e., reason to believe that electronically delivered information will result in the satisfaction of the delivery requirements under the federal securities laws).

8. IRC does not permit oral disclosure. All disclosures must be recorded in writing.

9. IRC will update Form CRS when any information becomes materially inaccurate, or when there is new relevant material information, and no later than 30 days after a material change.

b. Care Obligation

1. The Care Obligation requires that the IAR, in making a recommendation, exercise reasonable diligence, care, and skill to;

a. understand the potential risks, rewards, and costs associated with the recommendation, and have a reasonable basis to believe that the recommendation could be in the best interest of at least some retail customers,

b. have a reasonable basis to believe that the recommendation is in the best interest of a particular retail customer based on that retail customer's investment profile and the potential risks, rewards, and costs associated with the recommendation, and does not place the financial or other interest of IRC or the IAR ahead of the customer's interest, and

c. have a reasonable basis to believe that a series of recommended transactions, even if in the retail customer's best interest when viewed in isolation, is not excessive and is in the retail customer's best interest when taken together in light of the retail customer's investment profile and does not place the financial or other interest of the IRC or the IAR ahead of the customer's interest.

2. The Care Obligation is especially important when IARs recommend securities and investment strategies that are complex or risky.

3. The Care Obligation explicitly requires IRC and the IAR to consider the costs of the recommendation as well as having a reasonable basis to believe the recommendation does not place the broker-dealer's interest ahead of the customer's interest. While cost always must be considered when making a recommendation, cost should not be the only consideration, and the standard does not necessarily require recommendation of the "lowest cost option." IRC may consider additional or subjective factors beyond specific product attributes.

4. In determining whether a IAR has a reasonable basis to believe a recommendation is in a retail customer's interest, the IAR must consider reasonably available alternatives. IRC and IARs cannot use a limited product menu or a process to determine the scope of

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reasonably available alternatives considered to justify a recommendation that is not in the best interest of the retail customer.

5. Recommendation of an account type must be in the retail customer's best interest and not place the financial or other interest of IRC or the IAR ahead of the customer's interest. This includes, in the case where IARs are also Registered Representatives, if the client's best interest is better served in a brokerage account or an advisory account.

6. IARs must have a reasonable basis to believe that a recommendation to recommend an IRA or roll over assets into an IRA is in the best interest of the retail customer and does not place the financial or other interest of IRC or the IAR ahead of the customer's interest, taking into consideration the retail customer's investment profile and other relevant factors, as well as the potential risks, rewards, and costs of the IRA or IRA rollover compared to the investor's existing 401(k) account or other circumstances. In recommending an IRA or an IRA rollover, IARs should consider a variety of additional factors in comparing the customer's existing account to the recommended IRA. These factors include, but are not limited to;

- **a.** fees and expenses,
- **b.** level of service available,
- **c.** available investment options,
- **d.** ability to take penalty-free withdrawals,
- **e.** application of required minimum distributions, and
- **f.** protection from creditors and legal judgement.

c. Conflicts of Interest Obligation

1. The Conflict of Interest Obligation, requires a IRC to establish, maintain, and enforce written policies and procedures reasonably designed to:

- **a.** Mitigate conflicts that create an incentive for IRC's financial professionals to place their interest or the interests of IRC ahead of the retail customer's interest,
  - **1.** IRC does not allow contracts that produce an incentive for the IAR sell more of any product, or group of products, without CCO written permission.
- **b.** Prevent material limitations on offerings, such as a limited product menu or offering only proprietary products, from causing IRC or its financial professional to place his or her interest or the interests of IRC ahead of the retail customer's interest, and
  - **1.** IAR's are reminded that no two customers are the same. IAR's may not limit the products they offer to one company or organization. IAR's that show a history of favoring one product or company may come under

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additional review scrutiny.

2. IRC is a registered Adviser with the SEC. IAR and associates must consider if the client's best interest is served through opening an account with IRC. If it is not in the best interest of the client to join IRC then that clients must be informed of that.

c. Eliminate sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sale of specific securities or specific types of securities within a limited period of time.

1. IRC reminds all IAR's and Associates of rules contained elsewhere in this SOP (and below) that, amongst other things, prohibit participation in sales contests, place restrictions on gifts and gratuities, sharing commissions, et al.

2. Examples of conflicts of interest that would need to be disclosed (see Compensation Disclosure Form) to the customer include;

a. Compensation from IRC or from third parties, including fees and other charges for the services provided and products sold,

b. Employee compensation or employment incentives (e.g., incentives tied to asset accumulation and not prohibited under the provision of the rule banning certain compensation practices, special awards, differential or variable compensation, incentives tied to appraisals or performance reviews), and

c. Commissions or sales charges or other fees or financial incentives, or differential or variable compensation, whether paid by the retail customer, the broker dealer, or a third party such as commissions, markups and markdowns, loads, revenue sharing, and Rule 12b-1 fees.

d. The above Conflicts of Interest are a partial list only. IRC reminds its IAR's and Associates that clients must be informed of all possible conflicts of interest prior to opening an account with IRC.

3. As previously stated, Shelf Space is defined as a preferred list of companies or other like sales programs. IRC does not accept nor pay for Shelf Space.

4. IRC is prohibited from influencing what products the IAR can sell to their clients by marking up or marking down the percentage of commissions to be paid. Commissions paid to IARs is solely designated by the Advisor's contracts. For example, if an IAR's contract sets their commission rate at 70% then that amount will be paid to the IAR regardless of what product type, providing company or share class is sold.

5. IARs are not permitted to participate in sales contests, or other like contests, that are based on the sales of specific securities and/or specific types of securities within a limited

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period of time.

6. IRC will conduct a review of their conflicts of interest before a deviation from its Reg BI Conflicts of Interest rules is enacted.
7. A public list of IRC's possible conflicts of interest is located in IRC's cloud compliance folder. Those conflicts of interest are to be reviewed and updates in conjunction with this SOP.
8. Please contact the CCO to discuss any questions regarding, or the Identification of, any conflicts of interest. If for some reason the CCO is unavailable, you may be connected with another associate to assist you in these matters. That individual will share your conversation with the CCO.

d. Compliance Obligation

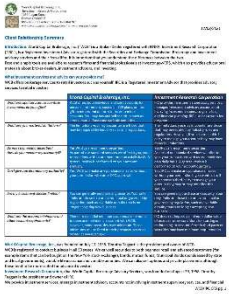
1. Failure to comply with Reg BI can result in, amongst other things, censure, fine, suspension, heightened supervision, and/or termination.
2. Periodic training generally will be conducted via IRC's Firm Element Education program.
3. Review and Testing of these procedures will be conducted in connection with the review and testing of these Supervisory Procedures.

e. Record Retention.

IRC and IARs will maintain records of information collected from, and provided to, retail customers under Reg BI for at least six years.

4. Form CRS

Form CRS, also known as the "Relationship Summary" is a standardized form that is required to be provided by the IAR to investors at the beginning of the IAR/Client relationship and upon any material change. The current Form CRS is available on WCB's website and may be provided to the client electronically. The Relationship Summary may be no longer than two pages and must be written in plain language.



a. Content

1. **Introduction**
   - **a.** state its name and that IRC is registered with the SEC as a Registered Investment Adviser,
   - **b.** indicate that brokerage and investment advisory services and fees differ and that it is important for the retail investor to understand the differences, and
   - **c.** state that free and simple tools are available to research firms and financial professionals at the Commission's investor education website, Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

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2. **Relationship and Services**

This item requires IRC to summarize the relationships and services it offers to retail investors. IRC must state that it offers advisory services to retail investors, and summarize that principal service, accounts or investments it makes available, and any material limitations on such services. The firm must also disclose;

a. whether IRC provides monitoring of customer accounts, including frequency and any material limitations on those services,

b. the scope of IRC's investment authority (non-discretionary, discretionary, any material limitations);

c. whether IRC limits its investment offerings, such as proprietary products or a limited menu of products or types of products, and

d. any minimums to open or maintain an account, or other requirements.

e. IRC must include references to more detailed information about its services, and several specific "conversation starters" related to these topics.

3. **Fees, Costs, Conflicts and Standards of Conduct**

IRC is required to provide disclosure regarding its fees and costs, applicable standard of conduct and conflicts of interest, and financial professional compensation and related conflicts of interest. IRC must describe the principal fees and costs that a retail investor will pay for brokerage services, including how frequently they are assessed and the conflicts of interest they may create. IRC must also describe their transaction-based fees and related conflicts.

IRC also must describe the other most common categories of fees and costs applicable to retail investors. Examples include custodian fees, account maintenance fees, fees related to mutual funds and variable annuities, and other transactional fees as well as product-level fees (distribution fees, platform fees, shareholder servicing fees, and sub-transfer agency fees). IRC must include specific references to more detailed information about their fees and costs.

a. IRC is required to include the question, and the IAR must address with their client, "Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?" The IAR can then provide examples and estimated ranges of costs, explain to the client how those fees and costs will operate, and how they may impact the client's returns over time.

b. An IAR that provides recommendations subject to Regulation Best Interest must state: "When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we

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make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you."

c. IRC is required to provide examples of how it makes money and the conflicts of interest these practices create. The SEC requires disclosure of four specified conflicts with respect to the firm and its affiliates;

1. proprietary products,
2. third-party payments,
3. revenue sharing, and
4. principal trading.

If none of these conflicts apply to IRC, it must summarize at least one of its material conflicts of interest that affect retail investors. Conflicts of Interest are not limited to conflicts associated with a recommendation, and may include conflicts that affect product offerings to customers who do not obtain recommendations from IRC. IRC also must explain the incentives created by each example. IRC is required to include, as a conversation starter, the question: "How might your conflicts of interest affect me, and how will you address them?" Similar to the SEC's approach under other items of the Relationship Summary, IRC is required to reference more detailed information about their conflicts of interest.

d. IRC must summarize how its IARs are compensated, including cash and non-cash compensation, and the conflicts of interest those payments create. To the extent applicable, the firm is required to disclose whether its IARs are compensated based on factors such as;

1. the amount of client assets they service,
2. the time and complexity required to meet a client's needs,
3. the product sold (i.e., differential compensation),
4. product sales commissions, or
5. revenue the firm earns from the financial professional's advisory services or recommendations.

4. Disciplinary History

This item includes information about whether IRC or its IARs have reportable disciplinary history. IRC is required to include a link to the SEC's website, investor.gov/CRS, so that investors can obtain more information about disciplinary history and other matters.

5. Other Information

This item describes where the client can find additional information about IRC's services

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and request a copy of the Relationship Summary. It also includes several conversations starters about the client's contacts at the firm and how to handle complaints.

b. Delivery, Updating and Filing Requirements

1. Delivery Requirements

a. The delivery requirement applies to IARs even when an advisory account has not been established.

b. The delivery requirement applies even if your agreement with the client is oral.

c. IAR and IRC are required to deliver the Relationship Summary to each new retail investor before or at the earliest of;

1. a recommendation of an account type, a securities transaction, or an investment strategy involving securities,

2. placing an order for the investor; or

3. before or at the time you enter into an investment advisory contract with the retail investor.

4. IARs also registered with WCB are required to deliver the CRS at the earlier of:

a. as stated above in items 1 through 3.

b. If you are a registered representative, you must deliver a relationship summary to each retail investor before or at the time of the opening of a brokerage account for the investor.

d. IAR must provide the Relationship Summary to an existing retail investor client or customer before or at the time;

1. The opening of a new account that is different from the retail investor's existing account,

2. A recommendation of a rollover of assets from a retirement account into a new or existing account or investment, or

3. A recommendation of a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account (e.g., a first time purchase of a direct-sold mutual fund through a "check and application" process).

e. IRC must post the current version of the Relationship Summary prominently on its public website.

f. The Relationship Summary may be delivered electronically. If the Relationship Summary is delivered in paper form, it must be place first among the delivered documents.

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1. The preferred delivery method is via invresearch.com email either as a direct link or in the body of the email itself.
2. IARs may deliver the Relationship Summery in person and attest to IRC via signed memo that the Relationship Summary was delivered; listing the date it was delivered.
3. The Relationship Summary must be delivered prior to opening an account.
4. Updates to the Relationship Summary must also follow the above mentioned delivery conditions.
5. WCB will provide the Relationship Summary at cost for those IAR's who either;
   a. Request us to do so via their invresearch.com email address, or
   b. For those IAR's whose may have a history of overlooking this procedure.
6. IARs may contact IRC Customer Service to, on occasion, deliver electronically the Relationship Summary.

g. If a retail investor requests a copy of the Relationship Summary, IAR/IRC must deliver it within 30 days.

2. Updating and Filing Requirements

IRC must update the Relationship Summary and file it within 30 days of information becoming materially inaccurate, highlighting the changes in an exhibit to the filing. The firm must communicate any changes in the updated Relationship Summary to existing retail investor clients or customers within 60 days after updates are required to be made, although the updated information can also be provided by means of another disclosure that is delivered to the investor.

c. Recordkeeping Requirements

The SEC amended the recordkeeping requirements under the Exchange Act Rules 17a-3 and 17a-4 to require IRC to make and preserve a record of the date on which a Relationship Summary is provided to each retail investor. IRC is required to retain copies of each version of a Relationship Summary and all amendments or revisions, and records of the dates on which they are provided to retail investors.

1. IAR will deliver their currently effective relationship summary, provided to the IAR by IRC, within the guidelines specified above.

Preferred means of delivery is:

a. invresearch.com email.

Acceptable means of delivery are:

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b. Hand delivery with written, dated receipt by the client to be placed in the clients file.

c. Mail with copy of the addressed, stamped envelope to be placed in the clients file.

2. Advisory may not utilize IRC's relationship summary posted on IRC's website as it only contains information pertinent to IRC and may not contain all information pertinent to the IAR.

D. Supervisory Responsibility

1. Section 203(e)(6) of the Advisors Act authorizes the SEC to take appropriate action against an investment advisor whenever the advisor "has failed reasonably to supervise, with a view to preventing violations of the provisions of";

a. The Securities Act of 1933,

b. The Securities Exchange Act of 1934,

c. The Investment Company Act of 1940,

d. The Investment Advisors Act of 1940,

e. rules or regulations made pursuant to any of these statutes, or

f. rules of the Municipal Securities Rulemaking Board.

2. Thus an Investment Advisor may, in an enforcement action, be found to have "failed to reasonably supervise" whenever an individual subject to the Advisor's supervision has violated any of the aforementioned statutes and regulations. However, an investment advisor may successfully defend itself against a claim of "failure to reasonably supervise" if the advisor has met three (3) conditions;

a. had a compliance system and established procedures reasonably designed to prevent and detect violations of federal securities laws and regulations,

b. discharged its duties and obligations by reason of following its procedures, and

c. had no reasonable grounds to believe that the Supervised person was not complying with the advisor's policies and procedures.

5. Compliance Policy and Form ADV Changes

Periodically it will become necessary for IRC to amend its compliance policies as well as its Form ADV Parts 1 and 2 due to regulatory or business practice changes. Amended rule 204-2 under the Advisors Act requires all firms to maintain copies of all policies and procedures that were in effect at any time during the last five years (effective date 10/05/2004). Because of this rule change, IRC has adopted a policy that documents its policy change practice.

A. The Chief Compliance Officer ("CCO") will work with the firm's personnel, which may include the Firm's legal counsel, on any Manual or Form ADV changes that are the result of legislative or regulatory matters or are the result of business changes. All new and amended policies will be presented to IRC's IARs as they are published.

B. IRC is registered with the SEC as an investment advisor pursuant to Section 203(c) of the Advisors Act and Rule 203A-1 adopted thereunder. It is the responsibility of the CCO to prepare and maintain IRC's Form ADV parts 1 and 2 and related filings, schedules and reports and submit to the SEC any amendments thereto in accordance with the provisions of Rule 204-1.

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C. Form ADV

1. Form ADV Part 1

Part 1 of Form ADV must be filed electronically with the Financial Industry Regulatory Agency ("FINRA") Investment Advisor Registration Depository ("IARD"). If for any reason the information in Items 1, 3, 9 or 11 become inaccurate, IRC must promptly file with the SEC an amended Form ADV Part 1. If for any reason the information in Items 4, 8 or 10 become materially inaccurate, IRC must promptly file with the SEC an amended Form ADV Part 1. All other changes to the Form ADV Part 1 must be filed each year within 90 days of IRC's fiscal year end.

2. Form ADV Part 2

The Advisors Act requires all investment advisor firms to provide all advisory clients and prospective advisory clients with a written disclosure document. This document can be either Part 2 of Form ADV or a written document containing all the material information included in Part 2 of Form ADV. The purpose of this disclosure document is to inform advisory clients and prospective advisory clients of IRC's services, business practices and possible conflicts of interest and/or material affiliations. Amendments to Form ADV Part 2 and all schedules must be made promptly; however, such amendments need not be filed with the SEC.

3. Form ADV Part 3

Form ADV Part 3 (Form CRS) relationship summary is a written disclosure that provides a retail investor with succinct information about the relationships and services the firm offers to retail investors, fees and costs that retail investors will pay, specified conflicts of interest and standards of conduct, and disciplinary history, among other things. Amendments to Form ADV Part 3 should be made promptly and filed with the SEC.

D. Form ADV Part 1, ADV Part 2 and ADV Part 3 must be reviewed by the CCO or another appropriate person and updated annually and filed with the SEC within 90 days of IRC's fiscal year end.

The CCO is responsible for reviewing all Form ADV amendments prior to filing.

6. Investment Advisor Representative Qualifications

A. IRC requires all registered persons associated with it who represent themselves as "financial planners" or "financial advisors" and/or charge a fee for financial advice to be registered with IRC as IARs.

B. As a pre-condition to being registered as an IAR, IRC will investigate the character, business reputation, qualifications, and expertise of each person seeking association with IRC as an IAR. IRC requires its representatives to pass all requisite industry-related examinations and to be registered with all regulatory business locations relevant to their activities as an IAR. Investment advisory representatives typically have a college degree; some have an advanced degree in law, business or finance; and most have at least five years business experience in a business professional capacity.

7. Investment Advisor Representative Licensing Procedures

A. It is the initial responsibility of the CCO or Operations Professional (or other qualified person taking the application) to personally interview the applicant and to help ensure accuracy and completeness of the application.

B. All applicants are required to submit to WCB the U4 Permission Letter form along with a copy of a current driver's license or other current picture ID before WCB begins the formal process or researching the potential associate.

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C. Compliance with researching a potential IAR's background may be accomplished by using an information request through FINRA Broker Check, Investment Adviser Public Disclosure (if applicable), Background checks, Credit checks, previously filed Form U4s Form U5s or any other means deemed appropriate. In addition, a telephone call may be placed, or a written form letter may be used to communicate with previous employers. If no response is obtained, telephone follow-up may be required and a notation of the results of the call including the person and title of the party spoken to.

D. No applications for registration shall be submitted to FINRA until all required documentation, including FINRA Broker Check, Background checks, Credit checks, previously filed Form U-4s and Form U-5s, are received and found to be in good order by WCB unless written authorization from the CCO is received.

E. Results from Fingerprinting may take longer than 30 days to complete (if required), therefor any adverse findings from a fingerprint card search must be immediately reported to IRC's CCO so that appropriate considerations may be made.

F. It is the applicant's responsibility to complete Form U-4 and all supporting documentation, and to submit everything along with a check made payable to Investment Research Corporation (for all fees required) to IRC. The applicant shall also promptly provide any additional information as may be required in order for the Firm to comply with all rules and regulations.

G. IARs whose Form U5 shows termination for cause or are from a firm that has been disciplined may be subject to Heightened Supervision as designated by the Firm's CCO.

H. Prior to filing any Form U-4, the IAR and an appropriate individual of WCB must review the Form U-4 to help ensure accuracy. The IRC associate that is signing the Form U-4, on behalf of IRC, is certifying that appropriate steps have been taken to verify the accuracy and completeness of the Form U4 being filed.

I. Once an IAR's Form U-4 is approved by FINRA, IRC will promptly provide the IAR with a copy of that Form U4. It is the IAR's responsibility to review the entire Form U4 for accuracy.

J. Failure to comply with requests for information, to pay all fees, or the falsification of any information may result in withdrawal of application for registration or other appropriate action.

K. IRC's CCO has full veto rights over all hires.

L. More in-depth searches may be initiated by the CCO or other appropriate associate, if needed, considering the applicant's job function.

M. If an applicant is concurrently registered with World Capital Brokerage, Inc. ("WCB") then IRC may rely on their verification methods and results. Likewise, WCB may rely on IRC's verification methods and results.

8. Investment Advisor Representative Form U-4 Amendment

A. IAR requests to amend Form U-4 must be made in writing. Verbal notifications are not acceptable.

B. It is the responsibility of each IAR to inform IRC immediately of any change affecting any material information on Form U4. All changes in the registration will become effective only when an amendment to Form U4 is filed with FINRA *and* is disseminated.

C. Requests to amend a IAR's Form U-4, or partial Form U-5 must be made to the Operations Professional, CCO, or an associate appointed by the CCO, within the allotted time (see following chart).

Type Of Change	Reportable to WCB by	Filed with FINRA by
Addresses, work or home	Prior to 1st day of occupation	By the 30th day of Occupation

Jurisdiction	Prior to doing business in state	Prior to doing business in state
New Outside Business Activity ("OBA")	Prior to 1st day of employment	If approved by WCB, by the 30th day of employment
Name Changes, including use of another name	Effective date of name change	Within 30 days
Changes in Employment Information including changes to OBAs	Within 10 days of change	Within 30 days
Reportable Disclosures	Immediately upon occurrence	Within 10 days

D. FINRA and IRC require timely, full and accurate disclosure of all information required on Form U-4 including Section 14 - Disclosures. For a current list of disclosure items, please visit FINRA.org and search for Form U-4 or call one of IRC's Operation Professionals.

E. IARs that fail to keep an accurate Form U-4 are subject to IRC disciplinary review and action which may include warnings, censure, probation, fines, suspension or termination. The late disclosure fee is currently $100 for the first day a form filing is late and $25 for each subsequent day, up to a maximum of approximately $2,575 and does not include the $110 disclosure review fee. In addition, IAR who fails to keep an accurate Form U-4 may also be subject to repercussions from FINRA or other Regulatory or State Authorities.

F. Any adverse information, notification of disciplinary action or notice of proceedings against any IAR is to be communicated to the CCO immediately upon receipt thereof by any of IRC's personnel or associated persons.

G. IAR will pay/reimburse IRC for all fees, charges and fines (if any) incurred for filing the amendment(s). IRC may require pre-payment of some fees prior to filing.

H. Outside Business Activities

1. No person associated with IRC in any registered capacity shall be employed by, or accept compensation from, any other person as a result of any business activities, unless the associated person has provided prior written notice (OBA Request Form) to IRC, the Outside Business Activity ("OBA") has been approved and an amended Form U-4 has been filed (if required). Examples of OBAs include but are not limited to, registered representatives, tax or retirement plan services, insurance, real estate, participation on a board, part time retail, or other business activities for which an associated person receives or may receive compensation (direct and indirect compensation, membership interests, receipt of preferred stock, tax benefits, et al). Upon notification, IRC shall review such activity and exercise appropriate supervision as is necessary in order to comply with these Supervisory Procedures and applicable rules and regulations.
2. Non-investment related activity that is exclusively charitable, civic, religious or fraternal *and* is recognized as tax-exempt is reportable as an OBA but may not reportable on the Form U4.
3. The nature of an OBA can materially change over time. Therefore, if your participation in an OBA changes, you should advise IRC of the change so we can properly evaluate it. If the OBA requires disclosure or updating, an updated Form U4 must be filed within 30 calendar days of the change.

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9. Registration Renewals

A. The Registration Department is responsible for filing renewal payments with FINRA. IARs who do not maintain their FINRA and state licenses may be suspended or may be terminated.

B. Before any IAR's license is renewed, the Registration Department will determine whether or not all requirements have been met to maintain the license with IRC. Such requirements may include, but are not limited to, satisfactory payment of all fees including payment of indebtedness due IRC and its affiliates, successful completion of the IAR's Firm Element Continuing Education and Interim Reviews (if made), proper certification and acknowledgment of receipt of all required books and records, IRC's active participation standards or any other requirement which may be imposed by rule or regulation.

C. If any deficiency is noted, the registration department will notify IRC's CCO who may cause a deficiency notice to be sent to the IAR. The IAR will then be required to remove the deficiency in the form and manner determined on or before the deadline established by the CCO. If the deficiency is not removed, the IAR's license may not be renewed.

D. The CCO or other appropriate individual appointed by the CCO will review the IAR's file prior to renewal for possible infractions of these Supervisory Procedures and/or rules and regulations. The individual reviewing this material must consider not only the immediate prior year's infractions but also previous year's infractions in order to complete a more accurate overall picture of the situation at hand. When considering any found indiscretions, the CCO or other appropriate individual appointed by the CCO will reconsider the nature, extent, seriousness, et al of the infraction(s). The CCO or other appropriate individual appointed by the CCO will then have the option to, in part, require additional continuing education, heightened supervision, non-renewal or termination of the IAR.

10. Terminations/Resignations.

A. Resignations should be sent to mgaughan@worldcapitalbrokerage.com, fax@worldcapitalbrokerage.com or faxed to 303-626-0614.

B. IRC reserves the right to terminate the registration of any IAR at any time by filing Form U-5 with FINRA.

C. FINRA requires that Form U-5 be filed after separation. A copy of such Form U-5 shall be provided to the IAR within 30 days at his or her last residential address of record on file with FINRA. IARs are required to return all client files (originals and copies) to IRC's home office, within 30 days, at the cost of the IAR. Any monies owed to the IAR, less debits, will be sent to the IAR *after* client files are received.

D. The Licensing Department is responsible for promptly notifying FINRA and any appropriate state agencies of the termination of any IAR.

11. Professional Designations/Titles

A. IARs may only use the terms Registered Investment Advisory, Investment Advisor and Financial Advisor and are prohibited from utilizing other terms to describe their licenses without prior written approval.

B. IARs are expressly prohibited from utilizing the terms Broker as a description of their profession as an IAR.

C. IAR should not expect approval of any professional designation or title that contains the word "senior".

D. Use of any professional designation or title, besides the before mentioned titles, as well as, ChFC, PFS, CFA or CIC must be pre-approved by IRC. When requesting for approval of another professional designation representative must submit curriculum, a continuing education element, and proof of accreditation from a recognized independent institution or like similar papers.

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E. IARs must provide IRC with a copy(ies) of the currently effective certificate(s).

12. Unlicensed Personnel

No IAR shall use any unlicensed personnel in the solicitation of any security or any other capacity that requires registration with FINRA or any other regulatory entity.

11. Continuing Education

A. Continuing Education is mandatory and is presented in two parts;

1. the Regulatory Element Continuing Education which is administered by FINRA, and
2. the Firm Element Continuing Education which is administered by IRC.

The program provides an IAR with the opportunity to enhance his/her investment-related knowledge and skills; both an IAR and the investors he/she serves will benefit. These programs help ensure that IARs stay current on products, markets, and rules to the ultimate benefit of the investing public. Failure to comply with Firm or Regulatory Element requirements may subject the firm and individual to disciplinary action. Non-compliance with Regulatory Element requirements will result in an individual's registration being deemed inactive until he or she fulfills all program requirements. If an individual is inactive, that individual may not engage in, or be paid for, activities requiring registration. While inactive IARs are not permitted to conduct any securities business whatsoever. However, that individual does retain the right to receive trail and residual commissions on transactions completed prior to the inactive date. Inactive individuals cannot receive any other monies earned. Inactive individuals cannot receive overrides. All fees associated with the continuing education process will be the responsibility of the IAR.

B. Frequency

1. The Regulatory Element Continuing Education ("RCE") generally is administered once every three years. IARs that are newly licensed are subject to the RCE on the second anniversary if licensing and then every three years after that. FINRA Enforcement, at their discretion, may require additional RCE.

2. Beginning on January 1, 2023, the RCE will be administered annually.

3. The Firm Element Continuing Education is administered annually.

C. Administration

1. IRC will notify any individual subject to either CE by email. This email will include instructions on how to complete the required CE as well as the due date for when the CE must be completed. Because CE programs can be extensive, it is highly recommended that IARs complete their CE as soon as possible and not wait until the last days.

2. Both the RCE and FCE are administered on-line.

3. The RCE is administered by FINRA and is accessible via FinPro found at https://www.finra.org. IRC personnel do not have access to FINRA's programs and systems.

4. The FCE is administered by IRC in conjunction with World Capital Brokerage, Inc., an affiliated company, via QuestCE which can be found at https://learn.questce.com/worldcapitalbrokerage/.

D. Firm Element Continuing Education

1. At least annually, Timothy E. Taggart or another appropriate individual will evaluate and prioritize the firm's training needs and create and implement a program designed to enhance securities knowledge, skill, and professionalism. IRC's FCE

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plan may cover items such as the general investment features and associated risk factors, suitability and sales practice considerations, and applicable regulatory requirements of the securities products, services, and strategies you offer.

2. Minimum Standards for Training Programs — Programs used to implement a member's training plan must be appropriate for the business of the member and should cover training in ethics and professional responsibility, risk factors, suitability, computer security and matters concerning securities products, services, and strategies offered by IRC.

3. Failure on a IAR's part to participate in the training programs stipulated by IRC will result in sanctions imposed on IAR by **IRC, including, but not limited to, possible termination.**

E. Additional State Level Requirements

1. Michigan

a. Administrative Rule 451.4.29 mandates every IAR to annually complete 12 IARCE credits to maintain their IAR registration. The 12 credits must include 6 credits of Products and Practices courses and 6 credits of Ethics and Professional Responsibility courses.

b. IARCE credits must be reported by the end of each year. Newly registered IARs will be required to meet the annual continuing education requirement by the end of the first full calendar year following the year in which they first become registered.

c. IARs are responsible for finding and completing courses, which will enable them to tailor their IARCE to their interests and business models. The courses may be offered by various vendors who are required to apply and obtain course approval from Prometric, the designated course manager who will maintain the approved course list. The IAR is responsible to ensure the vendor reports completion of IARCE and may utilize FINPRO for tracking and monitoring of his or her IARCE.

d. IARs that are dually registered as agents of broker-dealers and IARs or IARs whose professional designations are contingent on the completion of CE will have those CE credits taken into consideration. The new IARCE requirements are intended to be compatible with other continuing education programs that seek to ensure its members stay current with industry matters relevant to the services and products offered to their clients.

e. An IAR who completes IARCE in excess of the credit amount required for the annual reporting period may not carry forward excess credits to a subsequent reporting period.

f. If an IAR does not complete the IARCE requirement by the annual deadline, CRD will set his or her IAR registration status to "CE Inactive," which is the status that will then appear in the Investment Adviser Public Disclosure (IAPD) and in FINRA BrokerCheck. The IAR will remain "CE Inactive" until either becoming compliant, state action is taken, or the registration lapses for failure to renew. An IAR who is CE inactive at the close of the next calendar year **is not eligible for IAR registration or renewal of an IAR registration**.

g. An IAR who was previously registered and becomes unregistered must complete IARCE for all reporting periods that occurred between the time that the IAR became unregistered and when the person became registered again during the two-year exam window. Alternatively, the IAR can comply with the examination requirement of Rule 451.4.12.

F. Regulatory Element Contact Person

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Michael L. Gaughan is currently the individual responsible for receiving e-mail notifications regarding a covered person's activity and completion of each IARs Regulatory Element.

12. Awards, Incentives and Referral Fees.

A. No IAR, while acting in his or her capacity as an IAR, or associated person for IRC shall accept compensation including, but not limited to, cash, gifts and trips, that totals $100 or more in a calendar year, from any other person or organization, or participate in any award or incentive program without receiving prior written approval from the Firm's CCO.

B. Generally, entertainment is not subject to the $100 limit as long as it is neither so frequent nor so extensive as to raise any question of propriety and is not preconditioned on achievement of a sales target. The individual hosting the entertainment must be present and must maintain records of these events, including a description, the amount, and the value of the food and beverage and may not provide any other cash or non-cash compensation (such as gift cards or other non-food items) to the guests. Entertainment that falls outside of the above referenced food and beverage are subject to the terms within this section listed below.

C. No IAR, while acting in his or her capacity as an IAR, or associated person for IRC shall influence or award the employees of another member firm or provide any compensation in any form to any other person in the solicitation or sale of securities.

D. It is IRC's policy not to pay referral fees to any person for referring or introducing prospective customers to the Firm.

E. IARs are prohibited from sharing commissions with unlicensed persons.

13. Charitable Contributions

A. Any charitable contribution that exceeds $100 on an annual basis must be reported to the CCO.

B. All charitable contributions must be recorded.

12. Advisory Agreements

A. Each Advisory Agreement provided to the client for wrap, managed account services, or fee based planning must include:

1. A statement that IRC may not assign the Advisory Agreement without the client's consent.

2. A statement that the client acknowledges receipt of IRC's Form ADV , Part II

3. Information relevant to the type(s) of client assets to be managed by IRC.

4. Information about any limitations on client's discretion to select broker/ dealers.

5. Information about the advisor's fee.

6. Information about the notice required by the client or advisor to terminate the Advisory Agreement.

7. Information about all other terms relevant to the particular advisor/client relationship established by the advisory agreement signed by the client.

8. Advisory Agreements executed in the name of a corporation must be accompanied by:

a. A copy of the corporation's articles of incorporation certified by the State agency having jurisdiction over incorporation in that State.

b. A corporate resolution authorizing the officer signing the advisory agreement to enter into the advisory agreement.

c. Advisory agreements executed in the name of a trust must be accompanied by a copy of the trust agreement.

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d. Advisory agreements executed in the name of an ERISA plan must be accompanied by plan documents.

B. IRC's CCO will work with the firm's legal counsel to ensure that IRC's Investment Advisory Agreements ("Advisory Agreement") are in compliance with the requirements outlined in the Advisors Act. The Supervising Principals at IRC's business locations have been delegated the primary responsibility of verifying that the client has signed an Advisory Agreement prior to IRC's IARs rendering investment advice to a client. Supervising Principals also have the primary responsibility of monitoring the client's advisory file at IRC's business locations to assure that an Advisory Agreement signed by the client is maintained in this file. IRC's CCO has been delegated the responsibility of verifying, prior to IRC rendering advisory services to the client, whether in the form of financial planning, a managed account and/or wrap account, that an Advisory Agreement has been executed by the client and a copy of the Advisory Agreement has been delivered or offered to the client.

13. Form ADV Part 2

Rule 204-3 under the Advisors Act requires an investment advisor to provide certain written disclosures to prospective and existing advisory clients. This rule requires IRC to furnish or offer to furnish each advisory client and prospective advisory client with a written disclosure statement ("ADV II").

A. This rule is designed to ensure that clients receive basic information about an investment advisor, including;

1. Type(s) of advisory services provided by IRC and its IARs,
2. Method(s) of security analysis used,
3. Fee(s) charged by the advisor and its IARs,
4. Background information about IRC, and
5. Disclosure of IRC's conflicts and potential conflicts of interest.

B. ADV II must be offered to advisory clients and prospective advisory clients upon the happening of the following events:

1. Initial delivery: At the time an Advisory Agreement is entered into between IRC and advisory client, the IAR must provide the advisory client with IRC's ADV II.

a. At "initial delivery" of ADV II, the client is given the right to terminate the Advisory Agreement without penalty within five business days after entering into the Advisory Agreement.
b. IRC has primary responsibility of assuring that this "right of termination" is contained in ADV II that IRC's provides to the advisory client or prospective advisory client.
c. "Initial delivery" of ADV II, as well as communication of the "right of termination" to the advisory client/prospective advisory client, is the primary responsibility of IRC's IARs.
d. The CCO or a Supervising Principal of the IAR has the primary responsibility of monitoring that the IAR fulfills the duty of "initial delivery" of the ADV II and the IAR's duty of communicating to the client/prospective client this "right of termination."

2. Annual delivery: Each year, IRC's Firm Brochure is delivered, without charge, to each client.

a. At any time other than at the annual delivery, IRC will deliver an ADV II within seven days of receipt of the client's written request.
b. IRC bears the primary responsibility of delivering or offering in writing to deliver its ADV II to the advisory client.

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c. When opening an account every advisory client must acknowledge receipt of a copy of ADV II.

C. The CCO will ensure that IRC's ADV II is current prior to delivery to the advisory client / prospective advisory client.

D. The CCO or a Supervising Principal have been delegated the responsibility to ensure that ADV II is offered to the advisory client/prospective advisory client within the time frames specified in the Advisors Act and delivered within the specified time frame. The CCO has been delegated the responsibility to ensure that ADV II is delivered to clients at least annually.

14. ERISA Clients

Special considerations arise when IRC is retained to invest the assets of a pension or profit-sharing plan ("plan") that is subject to regulation under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ERISA accounts must be approved in writing by the CCO prior to opening the account.

A. Only a "named fiduciary" with respect to the plan may enter into an Advisory Agreement with IRC on behalf of the plan.

B. The named fiduciary -- which may be the employer or employee organization sponsoring the plan, an individual, committee, or corporation serving as the plan administrator, or the plan trustee(s) -- must either be identified in the documents governing the plan or be appointed by the plan sponsor pursuant to a procedure specified in the plan documents.

C. In addition, certain transactions involving assets of an ERISA plan are expressly prohibited, whether or not the transaction is otherwise prudent and in the best interest of the plan and its participants. These "prohibited transactions" include the following:

1. Sale or exchange, or leasing, of any property between a plan and a party in interest.

2. Lending money or other extension of credit between a plan and a party in interest.

3. Furnishing of goods, services, or facilities between a plan and a party in interest.

4. Transfer to, or use by or for the benefit of, a party in interest, of any assets of a plan.

5. Acquisition, on behalf of a plan, of any security issued by an employer with respect to the plan or the plan's affiliate, or real property which is leased to an employer or an affiliate, or the holding of this security or real property, unless the acquisition or holding complies with certain limitations imposed by ERISA (generally, these holdings may not comprise more than ten percent (10%) of the value of all plan assets).

D. The term "party in interest" is broadly defined to include an employer with respect to the plan and certain affiliates of the employer, plan fiduciaries, and other plan service providers.

E. When serving as a fiduciary with respect to an ERISA plan, IRC may not engage in self-dealing transactions involving the assets of the plan. Specifically, an ERISA plan fiduciary may not:

1. Deal with the assets of the plan in the fiduciary's own interest or for the fiduciary's own account,

2. Act in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or plan participants or beneficiaries, or

3. Receive any consideration for the fiduciary's own personal account from any party dealing with the plan in connection with a transaction involving the assets of the plan.

F. ERISA plan documents must be reviewed to confirm that the prospective client is authorized to enter into an Advisory Agreement on behalf of the plan regardless of the ownership of an ERISA plan, assets may not be maintained at any location that is outside the jurisdiction of the United States Federal District Courts. Supervising Principals at IRC's business locations have been delegated the primary responsibility of assuring that IARs under their supervision comply with the aforementioned ERISA

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requirements. IRC's CCO has been delegated the responsibility of assuring that new advisory accounts are established only if the aforementioned ERISA requirements have been met by IRC's IARs and their Supervising Principals. Therefore, any question as to whether a transaction may be prohibited should be discussed with IRC's CCO. IRC's CCO will determine if such a transaction could be prohibited, and, if so, whether or not this transaction would be permitted by one of the statutory exemptions enacted by Congress or class exemptions issued by the Department of Labor.

IRC's CCO shall ensure that IRC has obtained necessary insurance coverage relating to the advisory services provided to ERISA clients.

15. Advertisements

A. **Definition of Advertisement.** The definition of "advertisement" contains two prongs: one that captures communications traditionally covered by the advertising rule and another that governs solicitation activities previously covered by the cash solicitation rule.

1. The definition includes any direct or indirect communication an investment adviser makes that:

a. offers the investment adviser's investment advisory services with regard to securities to prospective clients or private fund investors, or

b. offers new investment advisory services with regard to securities to current clients or private fund investors. The first prong of the definition excludes most one-on-one communications and contains certain other exclusions.

2. The definition generally includes any endorsement or testimonial for which an adviser provides cash and non-cash compensation directly or indirectly (e.g., directed brokerage, awards or other prizes, and reduced advisory fees).

B. Rule 206(4)-1 under the Advisors Act governs advertisements by IRC and IARs. This rule prohibits an SEC-registered investment advisor from publishing, circulating, or distributing any advertisement that is incomplete, false, or misleading.

C. Accordingly, IRC does not permit any of its IARs to directly or indirectly publish, circulate, or distribute any advertisement that;

1. Include any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading;

2. Include a material statement of fact that the adviser does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission;

3. Include information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the investment adviser;

4. Discuss any potential benefits to clients or investors connected with or resulting from the investment adviser's services or methods of operation without providing fair and balanced treatment of any material risks or material limitations associated with the potential benefits;

5. Include a reference to specific investment advice provided by the investment adviser where such investment advice is not presented in a manner that is fair and balanced;

6. Include or exclude performance results, or present performance time periods, in a manner that is not fair and balanced; or

7. Otherwise be materially misleading.

D. IARs are required to submit all sales literature and advertisements including, in part, business cards, letterheads and telephone book advertisements to the CCO and gain written approval prior to use.

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E. Business Cards and Letterheads must use the following language in a legible font size. “Investment Advisory Services offered through Investment Research Corp., 1636 Logan Street, Denver, CO 80203, 303-626-0634, a Registered Investment Advisor.”

F. Marketing Advisory Services and Solicitors, as well as all sales literature and advertisements involved with such, must be approved in writing by the CCO.

G. **Testimonials and Endorsements.** An advertisement may not include any testimonial or endorsement, and an adviser may not provide compensation, directly or indirectly, for a testimonial or endorsement, unless the investment adviser complies with the conditions in this section, subject to the exemptions in this section.

1. **Required disclosures.** The investment adviser discloses, or reasonably believes that the person giving the testimonial or endorsement discloses, the following at the time the testimonial or endorsement is disseminated:

a. Clearly and prominently:

1. That the testimonial was given by a current client or investor, and the endorsement was given by a person other than a current client or investor, as applicable;

2. That cash or non-cash compensation was provided for the testimonial or endorsement, if applicable; and

3. A brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person;

b. The material terms of any compensation arrangement, including a description of the compensation provided or to be provided, directly or indirectly, to the person for the testimonial or endorsement; and

c. A description of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person and/or any compensation arrangement.

2. **Adviser oversight and compliance.** The investment adviser must have:

a. A reasonable basis for believing that the testimonial or endorsement complies with the requirements of this section; and

b. A written agreement with any person giving a testimonial or endorsement that describes the scope of the agreed-upon activities and the terms of compensation for those activities.

3. **Disqualification.** An investment adviser may not compensate a person, directly or indirectly, for a testimonial or endorsement if the adviser knows, or in the exercise of reasonable care should know, that the person giving the testimonial or endorsement is an ineligible person at the time the testimonial or endorsement is disseminated. This paragraph shall not disqualify any person for any matter(s) that occurred prior to May 4, 2021, if such matter(s) would not have disqualified such person under § 275.206(4)-3(a)(1)(ii), as in effect prior to May 4, 2021.

4. Exemptions.

a. A testimonial or endorsement disseminated for no compensation or de minimis compensation is not required to comply with this section;

b. A testimonial or endorsement by the investment adviser's partners, officers, directors, or employees, or a person that controls, is controlled by, or is under common control with the investment adviser, or is a partner, officer, director or employee of such a person is not required to comply with this section, provided that the affiliation between the investment adviser and such person is readily apparent to or is disclosed to the client or investor at

the time the testimonial or endorsement is disseminated and the investment adviser documents such person's status at the time the testimonial or endorsement is disseminated;

c. A testimonial or endorsement by a broker or dealer registered with the Commission under section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is not required to comply with:

1. If the testimonial or endorsement is a recommendation subject to § 240.15l-1(Regulation Best Interest) under that Act;

2. If the testimonial or endorsement is provided to a person that is not a retail customer (as that term is defined in § 240.15l-1 (Regulation Best Interest) under the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)); and

3. If the broker or dealer is not subject to statutory disqualification, as defined under section 3(a)(39) of that Act; and

4. A testimonial or endorsement by a person that is covered by rule 506(d) of Regulation D under the Securities Act of 1933 (§ 230.506(d)) with respect to a rule 506 securities offering under the Securities Act of 1933 (§ 230.506) and whose involvement would not disqualify the offering under that rule is not required to comply with this section

H. General Prohibitions. The marketing rule will prohibit the following advertising practices:

1. making an untrue statement of a material fact, or omitting a material fact necessary to make the statement made, in light of the circumstances under which it was made, not misleading;

2. making a material statement of fact that the adviser does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission;

3. including information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the adviser;

4. discussing any potential benefits without providing fair and balanced treatment of any associated material risks or limitations;

5. referencing specific investment advice provided by the adviser that is not presented in a fair and balanced manner;

6. including or excluding performance results, or presenting performance time periods, in a manner that is not fair and balanced; and

7. including information that is otherwise materially misleading.

I. Performance Information Generally. An investment adviser may not include in any advertisement:

1. Any presentation of gross performance, unless the advertisement also presents net performance:

a. With at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and

b. Calculated over the same time period, and using the same type of return and methodology, as the gross performance.

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2. Any performance results, of any portfolio or any composite aggregation of related portfolios, in each case other than any private fund, unless the advertisement includes performance results of the same portfolio or composite aggregation for one-, five-, and ten-year periods, each presented with equal prominence and ending on a date that is no less recent than the most recent calendar year-end; except that if the relevant portfolio did not exist for a particular prescribed period, then the life of the portfolio must be substituted for that period.

3. Any statement, express or implied, that the calculation or presentation of performance results in the advertisement has been approved or reviewed by the Commission.

4. Any related performance, unless it includes all related portfolios; provided that related performance may exclude any related portfolios if:

   a. The advertised performance results are not materially higher than if all related portfolios had been included; and

   b The exclusion of any related portfolio does not alter the presentation of any applicable time periods prescribed in this section.

5. Any extracted performance, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio from which the performance was extracted.

6. Any hypothetical performance unless the investment adviser:

   a. Adopts and implements policies and procedures reasonably designed to ensure that the hypothetical performance is relevant to the likely financial situation and investment objectives of the intended audience of the advertisement;

   b**.** Provides sufficient information to enable the intended audience to understand the criteria used and assumptions made in calculating such hypothetical performance; and

   c. Provides (or, if the intended audience is an investor in a private fund, provides, or offers to provide promptly) sufficient information to enable the intended audience to understand the risks and limitations of using such hypothetical performance in making investment decisions; Provided that the investment adviser need not comply with the other conditions on performance in this section.

7. Any predecessor performance unless:

   a. The person or persons who were primarily responsible for achieving the prior performance results manage accounts at the advertising adviser;

   b. The accounts managed at the predecessor investment adviser are sufficiently similar to the accounts managed at the advertising investment adviser that the performance results would provide relevant information to clients or investors;

   c. All accounts that were managed in a substantially similar manner are advertised unless the exclusion of any such account would not result in materially higher performance and the exclusion of any account does not alter the presentation of any applicable time periods prescribed in this section; and

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d. The advertisement clearly and prominently includes all relevant disclosures, including that the performance results were from accounts managed at another entity.

J. Third-Party Ratings. An advertisement may not include any third-party rating, unless the investment adviser:

1. Has a reasonable basis for believing that any questionnaire or survey used in the preparation of the third-party rating is structured to make it equally easy for a participant to provide favorable and unfavorable responses, and is not designed or prepared to produce any predetermined result; and

2. Clearly and prominently discloses, or the investment adviser reasonably believes that the third-party rating clearly and prominently discloses:

a. The date on which the rating was given and the period of time upon which the rating was based;

b. The identity of the third party that created and tabulated the rating; and

c. If applicable, that compensation has been provided directly or indirectly by the adviser in connection with obtaining or using the third-party rating.

K. Prohibited Advertising Items

1. Hard-cover books or pamphlets on investment topics that can be purchased with the registered representative's name printed on the cover.

2. Newspaper, magazine or Web articles where the public might reasonably assume the registered representative is the author, when this is not the case.

3. Interview-style broadcasts, webcasts or other public appearances where it appears that an independent third party is interviewing a registered representative when the interview questions and answers are in fact pre-determined; or, in the case of printed interviews, where the questions and answers were created by or for the registered representative.

4. Handouts in the form of magazines that appear to contain articles written by or about the representative when, in fact, they are produced by a vendor at the request of the registered representative.

L. Responsibility for ensuring that all advertisements are approved prior to use by IARs belongs to the IAR.

M. Definitions. For purposes of this section:

1. Advertisement means:

a. Any direct or indirect communication an investment adviser makes to more than one person, or to one or more persons if the communication includes hypothetical performance, that offers the investment adviser's investment advisory services with regard to securities to prospective clients or investors in a private fund advised by the investment adviser or offers new investment advisory services with regard to securities to current clients or investors in a private fund advised by the investment adviser, but does not include:

1. Extemporaneous, live, oral communications;

2. Information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonably designed to satisfy the requirements of such notice, filing, or other required communication; or

3. A communication that includes hypothetical performance that is provided:

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a. In response to an unsolicited request for such information from a prospective or current client or investor in a private fund advised by the investment adviser; or

b. To a prospective or current investor in a private fund advised by the investment adviser in a one-on-one communication; and

b. Any endorsement or testimonial for which an investment adviser provides compensation, directly or indirectly, but does not include any information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonably designed to satisfy the requirements of such notice, filing, or other required communication.

2. **De minimis compensation** means compensation paid to a person for providing a testimonial or endorsement of a total of $1,000 or less (or the equivalent value in non-cash compensation) during the preceding 12 months.

3. **A disqualifying Commission action** means a Commission opinion or order barring, suspending, or prohibiting the person from acting in any capacity under the Federal securities laws.

4. **A disqualifying event** is any of the following events that occurred within ten years prior to the person disseminating an endorsement or testimonial:

a. A conviction by a court of competent jurisdiction within the United States of any felony or misdemeanor involving conduct described in paragraph (2)(A) through (D) of section 203(e) of the Act;

b. A conviction by a court of competent jurisdiction within the United States of engaging in, any of the conduct specified in paragraphs (1), (5), or (6) of section 203(e) of the Act;

c. The entry of any final order by any entity described in paragraph (9) of section 203(e) of the Act, or by the U.S. Commodity Futures Trading Commission or a self-regulatory organization (as defined in the Form ADV Glossary of Terms)), of the type described in paragraph (9) of section 203(e) of the Act;

d. The entry of an order, judgment or decree described in paragraph (4) of section 203(e) of the Act, and still in effect, by any court of competent jurisdiction within the United States; and

e. A Commission order that a person cease and desist from committing or causing a violation or future violation of:

1. Any scienter-based anti-fraud provision of the Federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and § 240.10b-5 of this chapter, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)), and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

2. Section 5 of the Securities Act of 1933 (15 U.S.C. 77e);

f. A disqualifying event does not include an event described in paragraphs (e)(4)(i) through (v) of this section with respect to a person that is also subject to:

1. An order pursuant to section 9(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-9) with respect to such event; or

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2. A Commission opinion or order with respect to such event that is not a disqualifying Commission action; provided that for each applicable type of order or opinion described in paragraphs in this section:
    a. The person is in compliance with the terms of the order or opinion, including, but not limited to, the payment of disgorgement, prejudgment interest, civil or administrative penalties, and fines; and
    b. For a period of ten years following the date of each order or opinion, the advertisement containing the testimonial or endorsement must include a statement that the person providing the testimonial or endorsement is subject to a Commission order or opinion regarding one or more disciplinary action(s), and include the order or opinion or a link to the order or opinion on the Commission's website.

5. **Endorsement** means any statement by a person other than a current client or investor in a private fund advised by the investment adviser that:
    a. Indicates approval, support, or recommendation of the investment adviser or its supervised persons or describes that person's experience with the investment adviser or its supervised persons;
    b. Directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or
    c. Refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.
6. **Extracted performance** means the performance results of a subset of investments extracted from a portfolio.
7. **Gross performance** means the performance results of a portfolio (or portions of a portfolio that are included in extracted performance, if applicable) before the deduction of all fees and expenses that a client or investor has paid or would have paid in connection with the investment adviser's investment advisory services to the relevant portfolio.
8. **Hypothetical performance** means performance results that were not actually achieved by any portfolio of the investment adviser.
    a. Hypothetical performance includes, but is not limited to;
        1. Performance derived from model portfolios;
        2. Performance that is back tested by the application of a strategy to data from prior time periods when the strategy was not actually used during those time periods; and
        3. Targeted or projected performance returns with respect to any portfolio or to the investment advisory services with regard to securities offered in the advertisement, however:
    b. Hypothetical performance does not include:
        1. An interactive analysis tool where a client or investor, or prospective client, or investor, uses the tool to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken, thereby serving as an additional resource to investors in the evaluation of the potential risks and returns of investment choices; provided that the investment adviser:

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a. Provides a description of the criteria and methodology used, including the investment analysis tool's limitations and key assumptions;

b. Explains that the results may vary with each use and over time;

c. If applicable, describes the universe of investments considered in the analysis, explains how the tool determines which investments to select, discloses if the tool favors certain investments and, if so, explains the reason for the selectivity, and states that other investments not considered may have characteristics similar or superior to those being analyzed; and

d. Discloses that the tool generates outcomes that are hypothetical in nature; or

2. Predecessor performance that is displayed in compliance with this section.

9. **Ineligible person** means a person who is subject to a disqualifying Commission action or is subject to any disqualifying event, and the following persons with respect to the ineligible person:

a. Any employee, officer, or director of the ineligible person and any other individuals with similar status or functions within the scope of association with the ineligible person;

b. If the ineligible person is a partnership, all general partners; and

c. If the ineligible person is a limited liability company managed by elected managers, all elected managers.

10. **Net performance** means the performance results of a portfolio (or portions of a portfolio that are included in extracted performance, if applicable) after the deduction of all fees and expenses that a client or investor has paid or would have paid in connection with the investment adviser's investment advisory services to the relevant portfolio, including, if applicable, advisory fees, advisory fees paid to underlying investment vehicles, and payments by the investment adviser for which the client or investor reimburses the investment adviser. For purposes of this rule, net performance:

a. May reflect the exclusion of custodian fees paid to a bank or other third-party organization for safekeeping funds and securities; and/or

b. If using a model fee, must reflect one of the following:

1. The deduction of a model fee when doing so would result in performance figures that are no higher than if the actual fee had been deducted; or

2. The deduction of a model fee that is equal to the highest fee charged to the intended audience to whom the advertisement is disseminated.

11. **Portfolio** means a group of investments managed by the investment adviser. A portfolio may be an account or a private fund and includes, but is not limited to, a portfolio for the account of the investment adviser or its advisory affiliate (as defined in the Form ADV Glossary of Terms).

12. **Predecessor performance** means investment performance achieved by a group of investments consisting of an account or a private fund that was not advised at all times during the period shown by the investment adviser advertising the performance.

13. **Private fund** has the same meaning as in section 202(a)(29) of the Act.

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14. Related performance means the performance results of one or more related portfolios, either on a portfolio-by-portfolio basis or as a composite aggregation of all portfolios falling within stated criteria.
15. **Related portfolio** means a portfolio with substantially similar investment policies, objectives, and strategies as those of the services being offered in the advertisement.
16. **Supervised person** has the same meaning as in section 202(a)(25) of the Act.
17. **Testimonial** means any statement by a current client or investor in a private fund advised by the investment adviser:
    a. About the client or investor's experience with the investment adviser or its supervised persons;
    b. That directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or
    c. That refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.
18. **Third-party rating** means a rating or ranking of an investment adviser provided by a person who is not a related person (as defined in the Form ADV Glossary of Terms), and such person provides such ratings or rankings in the ordinary course of its business.

16. Client Lists

A. Although testimonials are generally prohibited, the SEC's Division of Investment Management has permitted investment advisors to provide a "partial list" of clients in their marketing materials if the following conditions are met;
1. IRC's IARs use objective criteria unrelated to the performance of client accounts in determining which clients to include in the list,
2. Client list discloses the objective criteria used to determine which clients to include on the list, and
3. Client list carries a disclaimer stating, "It is not known whether the listed clients approve or disapprove of the advisor or the advisory services provided."

B. Any IAR intending to include a client's name on a "representative Client List" or "partial list" must obtain the client's hand signed written consent.

C. IARs are required to submit all requests for use of Client Lists to their Supervising Principals for review to determine if the IAR has met all requirements.

D. Further, the Supervising Principal shall:
1. Forward the IAR's request to the CCO, and discuss comments received from the CCO with the IAR and ensure all requested changes are completed.
2. Accordingly, Supervising Principals at IRC's business locations have been delegated the primary responsibility of assuring that IARs under their supervision comply with the aforementioned process requirements for "partial list" or "representative Client List" requests.

17. Custody of Client Assets

Rule 206(4)-2 regulates investment advisors who have custody or possession of client securities or funds.

A. IRC discloses in its Form ADV that it does not maintain custody of client assets.

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B. Neither IRC nor its IARs are permitted to engage in activities that constitute custody. The term "custody" includes the following;

1. receiving proceeds from the redemption of client securities,
2. having signatory power over a client's checking account,
3. having discretionary authority including the authority to wire client funds,
4. holding securities in IRC's name, in the IAR's name, or in bearer form,
5. holding financial planning fees for more than six months,

C. In the event that IRC inadvertently receives a check from a client that should have been made payable to a third-party fund or custodian, such checks will be returned to the client within three business days.

D. Accordingly, Supervising Principals at IRC's business locations have been delegated the primary responsibility of ensuring that IARs under their supervision do not maintain custody of client assets.

18. Advisory Fees

The SEC states that an advisor's compensation may not be based on a share of capital gains or capital appreciation of the funds or any portion of the funds of the client, except for performance-based fees permitted under the conditions contained in rule 205-3 under the Advisors Act.

Valuation is either performed by a 3rd party advisor or by Pershing according to the holding in each account.

A. The Advisors Act further requires that;

1. All unearned, pre-paid fees must be refunded upon termination of a contract,
2. The terms of the advisory contract describing fees must be consistent with information in the Advisor's Form ADV as currently on file with the SEC,
3. Any advisory relationship can always be terminated, at which time the advisor must return any unearned prepaid fees, and
4. The Advisor discloses to the client (or the client's agent) all material information regarding the advisory arrangement before entering into the advisory contract.

B. Depending on the service selected, clients may pay for services based on;

1. A percentage of assets under management,

C. Additional charges may also apply, such as;

1. Transaction costs,
2. Custodial services, and
3. Mutual fund 12b-1 fees.

D. Disclosure of Fees

Because each advisor or investment advisory service has its own fee schedule, full disclosure of all applicable fees, refunds and termination provisions will, necessarily, be communicated directly to the client by IRC's IARs.

E. Financial Planning Fees

Fees may be charged on either an hourly, flat or asset-based fee basis. Fees for financial planning services may differ from one IAR to another, as they are subject to prior negotiation and agreement between the client and the IAR. IRC does not dictate a minimum required fee, a maximum required fee, or a range. After the first anniversary of their initial contract, clients may wish, or

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the IAR may suggest that their contracts be renewed in order to update their financial plans in whole or in part. If a client chooses to renew his/her contract, current financial information relevant to the planning areas is obtained and evaluated and a written summary/update is provided. A new, negotiated fee may apply.

1. Financial plans must be delivered to the advisory client no later than six months following the date of the Advisory Agreement signed by the client.

IARs who collect advisor fees cannot collect commission fees.

All fees must be paid directly to IRC.

F. WRAP Fees

If the advisory service involves a wrap program, the all-inclusive "wrap fee" typically will cover;

1. Costs of the initial and on-going investment advisory services,
2. Execution of securities transactions,
3. Costs of custody,
4. Costs of performance measurement, and
5. Costs of any other service(s) set forth in the service agreement.

Wrap fee programs must be approved by the CCO.

Please refer to section "Advisory Agreements" for further disclosure details.

G. Commission-Based Fees

If a client participates in a different kind of advisory service that does not include execution services, IRC's IARs may be compensated on a commission-basis for executing transactions in their capacity as a broker dealer representative, or may receive commissions for insurance sales.

IARs that receive commission based fees cannot collect advisor fees.

Commission based fees must be pre-approved by the CCO in writing.

H. Guidelines for Charging Asset-Based Advisory Fees

IARs that provide portfolio management services approved through IRC and who are charging fees based upon assets under management must adhere to the following guidelines;

1. Asset-based advisory fees must be on par with what other advisors would charge for a similar service. Fees greater than 2% are considered to be excessive. Be aware, however, that fees less than 2% can also be considered excessive based upon the service provided. The SEC believes that an excessive fee may violate the anti-fraud provisions of the Advisors Act,
2. Illiquid assets, such as limited partnerships and fixed annuities, may not be included in the asset base upon which the IAR's billing is based. Fees are difficult to justify in situations where there is no active management service provided. The client must be made aware in writing of all fees and their functions which may include passive fees such as when monitoring accounts,
3. If the IAR receives a commission (subject to written pre-approval by the CCO), the IAR must disclose the commission to the client,

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4. Any prepaid fees received from the client must be refunded on a pro-rata basis if the client terminates the advisory agreement prior to the end of the period for which the prepaid fee applies.
5. An IAR may not receive fees and/or commissions directly from a third-party provider or clearing firm. All fees must be paid through IRC, thus permitting a Supervising Principal and home office review of all fees, and
6. Advisory fees may not be based on tax savings realized by a client.

IRC has delegated to the Supervising Principals at IRC's business locations the primary responsibility of ensuring that IARs under their supervision make full and appropriate disclosure of all applicable fees to the advisory client. IRC delegates this primary responsibility to the Supervising Principals because disclosure of this type takes place at the "point of sale" or contact with the advisory client, and the Supervising Principals at IRC's business locations are best positioned to supervise this important market conduct. IRC's CCO has been delegated the responsibility of ensuring that, once a new advisory account has been properly established, fees are charged in accordance with client agreements.

19. Performance-Based Fees

Section 205(a)(1) of the Advisors Act prohibits an advisor from receiving "performance-based compensation." A performance-based fee is one based on a share of the capital gains and appreciation of a client's funds, subject to the conditions contained in rule 205-3 under the Advisors Act. This prohibition was included in the Advisors Act because these performance-based fees, by their very nature, were believed to create an incentive for an investment advisor to take undue risks with client funds in an attempt to generate a higher fee.

A. IRC does not permit Performance-Based Fees.

B. IRC has delegated to the Supervising Principals at IRC's business locations the primary responsibility of ensuring that IARs under their supervision do not charge advisory clients any advisory fee that is based on performance. IRC delegates this primary responsibility to the Supervising Principals at the IRC's business locations because enforcement of this type takes place at the "point of sale" or contact with the advisory client, and the Supervising Principals at the business location are best positioned to supervise this important market conduct.

20. Trading

As an advisor and a fiduciary, Supervised Persons must place client interests first and foremost. IRC's trading policies and procedures prohibit unfair trading practices and seek to avoid any conflicts of interests or resolve such conflicts in the clients' favor. Specific policies and procedures with regard to trade documentation, trade confirmation, resolution of trade errors, and trade aggregation are outlined below. All Supervised Persons are bound by these policies and procedures. IARs are not permitted to have discretion over any of their client's accounts without prior written approval from the CCO.

A. Trade Documentation and Confirmation

1. It is IRC's policy to follow SEC requirements with regard to documentation of all trade activity through World Capital Brokerage, Inc., from the time at which trades are initiated through the settlement process.

B. Trade Errors

All trade errors must be immediately reported to the CCO and documented in writing.

C. Trade Aggregation

Trade aggregation is the process of adding together trade orders to purchase and sell the same security as one large order. When a partial fill occurs, an investment adviser must allocate the purchased securities or sale proceeds among

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the participating accounts in a manner fair to the clients involved. Trade aggregations must be documented in writing and must be approved by the CCO. Partial fills must be documented in writing and must be approved by the CCO.

D. Best Execution

1. An Advisor has an obligation to obtain best execution of clients' transactions under the circumstances of the particular transaction. The advisor must execute securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances.

2. The Advisor should consider the full range and quality of a counter party's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness to the money manager. The determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account. In this connection, advisors are expected to periodically and systematically evaluate the execution performance of counter parties executing their transactions best execution is a term most commonly associated with time critical transactions (equities, options, commodities).

E. Principal Trading and Cross Transactions

Compliance with Section 206(3) of the Advisors Act is required for investment advisors that engage in principal and agency cross transactions. Section 206(3) states that it is a prohibited practice for an advisor "acting as principal for his own account, knowingly to sell any security to or purchase any security from a client, or acting as broker for a person other than such client, knowingly to effect any sale or purchase of any security for the account of such client, without disclosing to such client in writing before the completion of such transactions the capacity in which he is acting and obtaining the consent of the client to such transaction. The prohibitions of this paragraph (3) shall not apply to any transaction with a customer of a broker or dealer if such broker or dealer is not acting as an investment advisor in relation to such transaction."

1. Principal Trading

IRC does not transact any business as principal for its own account. Should IRC decide to conduct business as principal for its own account in the future, prior approval must be obtained in writing from the CCO, who shall be responsible for drafting new policies and procedures covering such activities for incorporation into this Manual.

2. Agency Cross Transactions

IRC does not conduct agency cross transactions nor does IRC sell securities from one client's portfolio and subsequently repurchase the same security in another client's portfolio. Should IRC decide to conduct agency cross transactions, prior approval must be obtained in writing from the CCO.

F. Diversification

When applicable, IRC or IARs must take into consideration certain diversification requirements. While the subject of diversification is ultimately the client's responsibility, IRC or IARs should not make a recommendation, or direct a purchase of any security, that would cause that client to become undiversified unless explicitly directed to do so.

When diversification is an issue, such as with a mutual fund, on a purchase-by-purchase basis, IRC will prepare an order ticket that will address diversification standards as set forth by the client. This ticket would be presented to the client so that they may verify and track their portfolio's diversification.

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In the event that a purchase is outside of the diversification guidelines set forth by the client, the CCO must be immediately notified.

G. Review of Trading Activity

The CCO, or other appropriate individual as determined by the CCO, will review and initial each trade.

H. Microcap/Nano Cap Securities

The term "microcap stock" (sometimes referred to as "penny stock") applies to companies with low or micro market capitalizations. Companies with a market capitalization of less than $300 million are often called "microcap stocks", although many have market capitalizations of far less than those amounts. The smallest public companies, with market capitalizations of less than $50 million, are sometimes referred to as "nanocap stocks." These micro-cap stock companies often have fewer resources to make their information available to the public. Microcap stock companies may specialize in innovative products or services that may be unknown to the general public.

Many micro-cap and nano-cap stocks are traded over-the-counter with their prices quoted on the OTCBB, OTC Link LLC, or the Pink Sheets. The larger, more established microcapsules are listed on the NASDAQ Capital Market or American Stock Exchange (AMEX).

Micro-cap and especially nano-cap stocks can sometimes experience volatility. Pricing is more likely to be inefficient, since fewer institutional investors and analysts operate in this space, due to the relatively small dollar amounts involved and the lack of liquidity.

Because of the possible increased exposure and risks associated with these type of investments, IRC/IARs who recommend Micro Cap, and Nano Cap securities should monitor reports filed to the SEC, trading activity, financial disclosure, and news items. Limiting exposure by investing less and remaining diversified can also help to moderate risk.

IRC/IARs must fully disclose and discuss these risks to each client.

Micro Cap/Nano Cap transactions are subject to review/approval by the CCO.

21. Valuation of Client Portfolio Holdings

The Adopting Release for rule 206(4)-7, the investment advisor compliance program rule, states that investment advisors' compliance policies and procedures should address processes to value client holdings and assess fees based on those valuations. It is IRC's policy to value all client portfolios fairly, accurately, and objectively.

Clearing Firm accounts will be valued by that firm. Third party advisors are all registered investment advisors with the SEC or state(s) in which they are registered. IRC relies on these RIAs to perform their own valuations.

A. Inaccurate or stale security valuations introduce a variety of risks to an advisor, including but not limited to;

1. Over or under charging its fees to clients,
2. Violating client investment guidelines or restrictions, such as those that limit the percentage of a particular asset or asset class that may be acquired or held in an account or restrictions on purchasing or holding illiquid securities,
3. Overstating or understating performance,
4. Misrepresenting potential tax liability,
5. Misleading clients as to the value of their assets, and
6. Misjudging when to sell or hold a portfolio position.

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B. IRC periodically reviews valuation processes of third party advisors to insure accurate pricing of client holdings.

22. Proxy Voting

Under rule 206(4)-6, advisors that exercise voting authority with respect to client securities must adopt written proxy voting policies and procedures. They must be reasonably designed to ensure that the advisor votes in the best interest of clients, and they must describe how the advisor addresses material conflicts between its interests and those of its clients with respect to proxy voting. Furthermore, an advisor's proxy voting policies and procedures should be designed to enable the firm to resolve material conflicts of interest with its clients before voting their proxies. Such obligations involve both a duty to vote client proxies and a duty to vote them in the best interest of clients. Rule 206(4)-6 also requires advisors to disclose to clients how they can obtain information from the advisor on how their securities were voted. Rule 206(4)-6 also requires advisors to describe their proxy voting policies and procedures to clients, and upon request, to provide clients with a copy of those policies and procedures. If a client requests a copy of the policies and procedures, the advisor must supply it.

A. IRC offers only third party advisory programs and does not hold any securities in IRC's name. Therefore, IRC does not vote proxies on behalf of clients, thusly, proxy voting is the responsibility of the client.

23. Client Review & Communication

In order to properly carry out IRC's fiduciary duties to clients, IARs must be familiar with client objectives and financial needs. Regular communication with clients is the most effective way to ensure that client information is current and that a proper stated strategy is followed and current. The following parameters guide IARs in communication protocol with clients.

A. New Client Reviews

An initial review of all new client accounts for which IRC takes on advisory duties is conducted during the client solicitation process prior to initial account funding. This initial review is conducted by the IAR, is approved by the Supervising Principal, and begins the formal implementation of the advisory relationship.

B. Subsequent Client Reviews

Client reports are distributed quarterly. These reports detail client portfolio holdings and portfolio activity, if any, transpiring during the prior quarter. At least quarterly, the IAR performs a client portfolio review and documents this review in the designated client file. Furthermore, a client review may be conducted during periods of increased market volatility, when the client's investment objectives change, or when a client deposits or withdraws funds. Portfolios may receive more frequent review under other circumstances at the discretion of the Supervising Principal. At least once per year IAR must review each client's portfolio with the client either in person, over the telephone or over the internet.

These reviews must be fully documented and will be audited as part of IRC's Office Audits.

C. Client Communication

All written client communications sent or received by an Advisor are subject to review by the IAR's supervising principal, or other appropriate associate appointed by the supervising principal, and must be retained in client files. Where possible, oral communications that specifically relate to any advisory services performed shall also be documented by IARs in client files.

1. IARs agree to provide duplicate copies of any and all communications, which relates directly to the client's directions/instructions relative to the provision of advisory services and to provide copies of specific communications upon request.

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24. Insider Trading Policy

A. IRC is a fiduciary. Section 206 of the Advisors Act requires directors, officers, and advisory representatives of investment advisors to act in accordance with the guiding philosophy that a client's interest must always come before any personal interest of directors, officers, and IARs. Section 206 also requires an advisor's directors, officers, and IARs to avoid actual abuse and any potential abuse of their positions of trust and responsibility.

1. Accordingly, IRC's directors, officers, and IARs are prohibited from taking inappropriate advantage of their positions with their clients.

B. Section 204A of the Advisors Act requires IRC to establish, maintain, and enforce written policies and procedures designed to prevent and detect misuse of material, nonpublic information, including insider trading. IRC's procedures for preventing these abuses are contained in IRC's Code of Ethics, the Compliance Manual and the firm's written Supervisory Procedures. IRC's Code of Ethics is hereby incorporated by reference into this Compliance Manual.

1. Each director, officer, Supervised Person and employee of IRC is expected to be familiar with, and comply with, the Code of Ethics, the Compliance Manual and IRC's written Supervisory Procedures. Supervised Persons of IRC will be required, on an annual basis, to certify his or her compliance with IRC's Code of Ethics.

25. Cash Payments for Client Solicitation

IRC does not pay cash or referral fees to persons who solicit advisory clients. Supervising Principals at IRC's business locations have been delegated the primary responsibility of day-to-day supervision of IAR compliance with this policy. Additionally, they shall immediately report to IRC's CCO any suspected violation of this policy.

26. State Registration

A. State IAR registrations are required to be renewed on a timely basis. Registration and Renewal requirements vary widely from state to state. Most states renew licenses on a calendar year basis, but not all states do so. Some states renew on an anniversary date or every other year. Supervising Principals must ensure that IARs renew their registrations in those states in which they conduct business and maintain or solicit clients.

B. Before an IAR can be added as a Supervised Person of IRC, the Supervising Principal is required to send a written communication to the CCO. By forwarding this communication, Supervising Principals are notifying IRC that they are aware of the IAR's proposed investment advisor activities and will supervise them accordingly.

C. After notification is received, a review will be made to be sure the IAR meets all qualifications, including the state requirements.

D. Please Note: Prior to the solicitation of any investment advisory services, IAR must be registered as an IAR in the states where their clients reside and/or where solicitation takes place. Upon receipt of the written notification from the Supervising Principal, IAR registration paperwork and any additional state requirements will be forwarded to the IAR for completion. The completed paperwork needs to be returned to the designated person in the home office. Once the paperwork is processed and the representative is registered as an IAR, the IAR will be notified and copies of the Firm Brochure will be provided. The IAR may not solicit business until he/she is notified that his/her IAR registration is complete.

27. Transaction Reporting

A. All Access Persons of IRC are required under federal law to transmit to IRC, on or before the 30th day of the month following a calendar quarter end a report provided by IRC of all personal securities transactions made with any brokerage firm or advisory

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firm other than World Capital Brokerage, Inc. and Investment Research Corporation.

B. IAR will be charged $85/hour (minimum ½ hour) for review of all personal securities transactions made with any brokerage firm or advisory firm other than World Capital Brokerage, Inc. and Investment Research Corporation.

C. This reporting requirement also applies IAR's immediate family living in the same household has a direct or beneficial interest. *(See Code of Ethics.)*

D. Supervising Principals at IRC's business locations have been delegated the primary responsibility of day-to-day supervision of IAR compliance with IRC's transaction reporting policy. Supervising Principals may delegate these reviews to an appropriately qualified individual. Additionally, Supervising Principals shall ensure that all IARs within their business locations timely file the required transaction report. IRC's senior management and the CCO will be immediately notified about any violations regarding the transaction reporting policy.

28. Books and Records to be maintained by Investment Advisor

IARs and associated persons are required to maintain their own records. IRC will provide duplicate copies of documents required to be maintained by law, rule or regulation, or by these Supervisory Procedures only upon written request from the IAR along with the payment of a fee which may be determined by IRC from time to time.

Rule 204-2 under the Advisors Act requires every investment advisor that is registered or required to be registered to make and keep true, accurate, and current the following books and records related to its investment advisory business.

A. Corporate documents;

1. Articles of incorporation, charters, minute books, etc. of investment advisor and any predecessor, and

2. Retention requirements - Maintain on site until at least three years after termination of the entity.

B. Accounting records;

1. Books of original entry, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger,

2. General and auxiliary ledgers reflecting asset, liability, reserve, capital, income and expense accounts,

3. Bank account information, including checkbooks, bank statements, canceled checks and cash reconciliation,

4. Bills and statements, paid or unpaid, relating to the business of the Advisor,

5. Trial balances, financial statements, internal audit working papers, and

6. Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

C. Trading and Account Management records;

1. Trade Tickets,

2. Research Files,

3. Purchase and Sale records,

4. Client Security positions, and

5. Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

D. Proxy Voting records,

1. IRC does not exercise voting authority with respect to client securities, and

2. Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

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E. Client Relationship records;
- **1.** Form ADV-Part II (Firm Brochure),
- **2.** Advisory and other contracts,
- **3.** Fee Schedules,
- **4.** Client Investment Objectives,
- **5.** Directed Brokerage and Soft Dollar Agreements,
- **6.** Written communications including emails,
- **7.** Complaint File,
- **8.** Quarterly reviews,
- **9.** Annual in-person review,
- **10.** Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

F. Marketing and Performance records;
- **1.** Marketing Materials,
- **2.** Supporting Memoranda,
- **3.** Performance Numbers, and
- **4.** Retention requirements - Entire period of track record, plus 5 years from year last published, first 2 years on site, last three in a place easy to access.

G. Personal Securities Transactions;
- **1.** Holdings reports,
- **2.** Transaction reports, and
- **3.** Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

H. Code of Ethics;
- **1.** Copies of the Code of Ethics,
- **2.** Violations of the Code of Ethics,
- **3.** Written acknowledgement of the Code of Ethics, and
- **4.** Retention requirements - the copies of the Code of Ethics must be maintained permanently. Any violations and written acknowledgements must be maintained 5 years, first 2 years on site, last three years in a place easy to access.

I. Compliance policies and procedures;
- **1.** Copies of policies and procedures,
- **2.** Annual Review documentation, and
- **3.** Retention requirements - the copies of the compliance policies and procedures that were in effect at any time currently and during the previous 5 years must be maintained.
- **4.** Annual review documentation – 5 years, first 2 years on site, last three years in a place easy to access.

J. SEC Filings and Correspondence
- **1.** Form ADV, including all amendments
- **2.** Retention requirements – indefinitely on site.

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K. Cash Solicitation records

1. Solicitation Agreements

2. Solicitor's Disclosure Documents and Acknowledgements

3. Retention requirements - 5 years, first 2 years on site, last three in a place easy to access.

L. Overall responsibility for assuring that all IRC IARs comply with IRC's books and records policies belongs to IRC's CCO. However, IRC's CCO may delegate day-to-day supervision of IAR compliance with these policies. Supervising Principals at IRC's business locations have been delegated the primary responsibility of day-to-day supervision of IAR compliance with IRC's books and records policies. Supervising Principals at IRC's business locations shall immediately report to the CCO and correct any violation or deficiency relating to IRC's books and records policies.

29. Safeguarding Client Confidential Information

A. Safeguarding confidential information is essential to the conduct of IRC's business. Caution and discretion must be exercised in the use of this information, which should be shared only with IRC associates or a contracted third-party affiliate who have a clear and legitimate need and contractual right to know.

B. Accordingly, no associate of IRC shall disclose confidential information of any type to anyone, except persons within IRC who have a need to know this information. Information regarding a customer may not be released to third parties, government officials, or officials of other organizations, without the consent of the customer, unless required by law.

C. Client personal information can only be emailed as an encrypted attachment.

D. All email attachments that contain customer information, or other like personal information, must be encrypted using Adobe Acrobat and the assigned password "1917market".

1. Representatives are prohibited from otherwise encrypting emails or email attachments.

E. Portable media devices must be encrypted (256-bit or higher). This includes, but is not limited to, CDs, DVDs and Flashcards.

F. All computers with an outside connection, i.e. internet connections, must utilize, at a minimum, Virus Protection software that;

1. updates itself automatically
2. automatically scans emails
3. automatically scans the computer for malicious files, and, continually utilizes current Firewall hardware or a current Firewall software program.

G. No computer may use a wireless (WiFi) network or internet connection unless an advanced encryption program (256-bit or higher) is in constant use.

H. All unauthorized access, without regard to severity, will immediately be reported in full to the Firm's Chief Compliance Officer without delay.

I. Overall responsibility for assuring that all IRC IARs comply with IRC's policies regarding client confidential information belongs to IRC's CCO. However, IRC's
CCO may delegate day-to-day supervision of IAR compliance with such policies.
Supervising Principals at IRC's business locations have been delegated the primary responsibility of day-to-day supervision of IAR compliance with IRC's policies regarding client confidential information.

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J. Supervising Principals at IRC's business locations shall immediately correct any violation or deficiency regarding these policies at his/her business location and shall immediately notify IRC's CCO accordingly. Supervising Principals at IRC's business locations are responsible for ensuring all client files and records are returned to IRC in the case of a terminated IRC IAR. All client files are the property of and proprietary to IRC.

K. The Operations department shall immediately correct any violation or deficiency related to these policies and shall promptly notify IRC's CCO accordingly.

30. Home Office Record Review Procedures

A. Required Records

1. IRC prepares and keeps current all records relating to IRC's advisory business as required by rule 204-2 under the Advisors Act and any other applicable law. These include;

- **a.** Journals (records of original entry),
- **b.** General and Auxiliary ledgers,
- **c.** Security Order Memoranda,
- **d.** Cash Receipts and Disbursements Journals,
- **e.** Check Books and Bank Statements,
- **f.** Record of Receivables and Payables,
- **g.** Balance Sheets,
- **h.** Trial Balances and Financial Statements,
- **i.** Correspondence and Written Communications including emails,
- **j.** Complaints,
- **k.** Powers of Attorney,
- **l.** Advisory Agreements, and
- **m.** Advertisements.

2. In addition to the records identified above, IRC also maintains transaction records in the form of client "holding records" and "security cross-index records" for each client receiving portfolio management services. A "holding record" is a journal listing purchases and sales by client, while a "security cross-index record" is a journal of transactions arranged by security.

B. **Record Retention**

1. Pursuant to rule 204-2 under the Advisors Act, all the books and records of IRC identified above shall be preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on a record. For the first two years of the five-year period, these records are to be maintained in an easily accessible place in IRC's offices.

2. To ensure compliance with rule 204-2, no record shall be destroyed until six years have elapsed after the closing of any client account. These records will be subject to review during the annual inspection of IRC's business locations.

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C. Complaint Files

1. Complaints must be kept in a separate complaint file, and copies must be sent immediately upon receipt to IRC's CCO or his delegate. These records and files must be kept for a period of not less than five years from the end of the fiscal year during which the last entry was made. For two years, these records must remain in an office or an easily accessible place for periodic inspections by the SEC Staff. These records will be subject to review during the annual inspection of IRC's business locations.

2. The CCO has been delegated the primary responsibility of ensuring that all legally required records (indicated above), including transaction records, are established and are posted on a current basis. Additionally, the CCO has been delegated the day-to-day responsibility for review and approval of all investment advisory contracts with focus on detecting such illegal or unethical business practices as those indicated below;

- **a.** Exercise of discretion in placing an order for the purchase or sale of securities of a client (review of investment advisory agreement),
- **b.** Placing an order to purchase or sell securities for the account of a client on instruction of a third party without having obtained written third-party trading authorization (review of correspondence),
- **c.** Inducement of trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account (quarterly review of portfolio reports),
- **d.** Placing an order to purchase or sell a security for the account of a client without authority to do so (quarterly review of unauthorized or irregular transactions and withdrawals shown on quarterly portfolio reports),
- **e.** Maintaining custody or possession of any client's funds or securities (requires immediate attention if detected),
- **f.** Making purchases of a security for a representative's own account or for the account of a member of the representative's immediate family living in the same household shortly before recommending or purchasing the same security for a client, and then shortly afterwards selling the security for the representative's own account or for the account of such an immediate family member (review of representative's transaction reports and security cross-index records of clients),
- **g.** Falsifying any information within IRC's records pertaining to a client's account, including a client's name or address (pursue immediately upon receipt of information), and
- **h.** Disclosing to third parties any information received from a client, including the client's name, unless obligated to do so by law, or unless permission of the client is obtained prior to providing the information (pursue immediately upon receipt of information).

3. The Supervising Principals at IRC's business locations should report to IRC's CCO any activity which may be illegal or deemed to be an unethical business practice by an IAR of IRC, including, but not limited to the following;

- **a.** Inducement of trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account (quarterly review of portfolio reports),
- **b.** Making recommendations to clients for purchase, sale, or exchange of any security without reasonable grounds to believe that the recommendations are suitable on the basis of information furnished by the client after inquiry concerning the client's investment objectives, financial situation and needs (quarterly review of portfolio reports),

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c. Borrowing money or securities from or lending money or securities to a client (requires immediate attention if detected), and

d. Making representations that an individual is an IAR or other qualified personnel when the representation does not accurately describe the nature of the services offered, the qualifications of the person offering the services, and the method of compensation for the services.

4. Rule 206(4)-7 requires IRC to review its compliance policies and procedures annually to determine the adequacy and the effectiveness of their implementation. The CCO shall be responsible for the annual review of IRC's compliance polices and procedures, consult with the Firm's Legal Counsel when needed, and shall maintain all documents for verification. Further, the CCO shall ensure that the review of IRC's records and record-keeping procedures takes place on an annual basis. Accordingly, IRC's CCO or his delegates will direct an annual inspection of IRC's business locations. Written reports of these inspections shall be sent to IRC's CCO and shall be retained in accordance with applicable laws, rules and regulations.

D. Right of Inspection

All records required to be maintained by an IAR pursuant to these procedures or any rule or regulation promulgated by any federal, state or self-regulatory agency are subject to inspection by IRC.

31. Regulatory Inspections & Press Inquiries

A. Regulatory Inspections

1. Section 204 of the Advisors Act gives the SEC authority to examine an investment advisor's books and records. The SEC maintains an extensive regular on-site inspection program for investment advisors. IRC anticipates that a regular inspection will occur at least every three to five years. The SEC staff will usually send a pre-inspection letter outlining the books and records that IRC should have ready for review. The SEC staff usually requests;

a. Copies of IRC's Form ADV,

b. Information on types and sizes of IRC's accounts,

c. Information about clients advised by IRC,

d. IRC's books and records,

e. IRC's compliance procedures,

2. IRC's CCO is designated as the contact person for the SEC inspection staff. IRC's CCO will provide requested information and will keep copies of the materials provided. IRC's CCO will be present at the entry interview to determine the scope of the examination and will request an exit interview.

3. Generally, within ninety (90) days of the inspection, the SEC staff will send either a "no further action letter" or a "deficiency letter" to the investment advisor. A deficiency letter requests that the investment advisor describe in writing the corrective measures taken in response to the deficiencies set forth in the letter. After consulting with the Firm's Legal Counsel IRC's CCO shall be responsible for responding to a deficiency letter within the time frame requested.

4. In the event an individual from any federal, state or self-regulatory organization contacts IRC (either in writing, via electronic means, or by telephone) or arrives for an inspection of any of IRC's business locations, the Supervising

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Principal, senior management and the CCO must be notified immediately. Likewise, in the event of any inquiry from any member of the press, any and all such inquiries must be referred to the Supervising Principal and the CCO immediately.

5. Such notifications must be acknowledged in real time. No Supervised Person is permitted to talk to a representative of a regulatory entity or a member of the press without prior approval from the CCO.

6. The CCO shall retain records of all communications with regulatory authorities. All IARs and Supervising Principals shall forward relevant documents to the CCO for recordkeeping purposes.

32. Requests for Information

All associated persons and IARs of IRC are required to respond promptly to any requests for information issued by either IRC or directly by any regulatory authority. Failure to promptly comply with requests for information may subject the associated person or IAR to disciplinary action.

32. Incorporation of Codes/Policies by Reference

A. The following Codes/Policies of IRC are incorporated by reference in this Compliance Manual.

1. Code of Ethics
2. Insider Trading Policy
3. Privacy Policy
4. Business Continuity Plan
5. Anti-Money Laundering Policy
6. Customer Identification Program

33. Managing Client's Portfolios

A. Client Portfolios must be managed with the client's suitability and investment objectives in mind as well as on a consistent basis and within the client's wishes. Conflicts that arise due to client instructions, such as acting outside the client's investment objectives, must be documented in writing prior to any such action.

B. When allocating investment opportunities between clients it must be done so in a fair and reasonable way and must be fully documented in writing.

C. Any and all disclosures and restrictions on a portfolio or security must be made to the client in full and documented in writing.

34. Referral Fees

It is IRC's policy not to pay referral fees.

35. Privacy

A. IRC has in place policies and procedures to protect customer information and privacy, as well as the opportunity for customers to choose how their information may be shared. This information will be included with all initial purchases and will also be sent to all clients on an annual basis.

The basic reason that IRC collects and maintains shareholder information is to enable it to serve the client and his/her administrator to their account(s) in the best way possible. IRC collects nonpublic personal information about the client from the following sources:

1. Information it receives from him/her on applications or other forms, such as name, address, age, social security number, and name of beneficiary,

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2. Information about the client's transactions with IRC, its affiliates and others, such as the purchase and sale of securities and account balances.

B. IRC is committed to preventing others from unauthorized access to personal information, and it maintains procedures and technology designed for this purpose. Some of the steps IRC takes to protect the information it has about the client include the following:

1. IRC updates and tests its technology on a regular basis in order to improve the protection of shareholder information.
2. IRC requires outside companies and independent contractors with whom it has agreements to enter into a confidentiality agreement that restricts the use of the information to those purposes and prohibits independent use of the information to specified purposes.
3. IRC has internal procedures that limit access to shareholder information, such as procedures that require an employee to have a business need to access shareholder information. IRC also maintains policies about the proper physical security of workplaces and records. IRC's physical, electronic, and procedural safeguards comply with federal regulations regarding the protection of shareholder information.
4. IRC protects the integrity of shareholder information about the client through measures such as maintaining backup copies of account data in the event of power outages or other business interruptions, using computer virus detection and eradication software on systems containing shareholder data, installing computer hardware and software, and employing other technical means to protect against unauthorized computer entry into systems containing shareholder information.

C. Clients have choices about how their shareholder information may be shared. Account holders may exercise these choices at any time.

D. If shareholders have opted out of information sharing previously, it is not necessary to do so again.

1. Option 1 - Outside Companies
   - **a.** IRC may share limited shareholder information under special agreements with outside financial service providers in order to offer shareholders financial products that it typically does not offer itself.
     If clients prefer that IRC does not share this information with these outside financial service providers for these purposes, they may choose to opt out. Clients may direct the Firm at any time not to disclose this information to these outside providers for marketing purposes.
2. Option 2 - Within our IRC Family
   - **a.** IRC uses and shares client information within its internal network system to help IRC identify and provide information to help it meet financial needs and offer the right products and services to its clients.
     If clients prefer that IRC does not share their personal information within its internal network system for these purposes, they may choose to opt out. They may direct IRC not to disclose this information internally to determine eligibility for such products and services. If clients wish to opt out of this type of sharing, they should simply notify IRC and their request will be honored by it.

36. Direct Brokerage Agreements

Direct Brokerage Agreements require CCO approval in writing prior to executing the agreement.

37. Prohibited Practices

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The following partial list of practices is against applicable regulations. IARs who engage in these activities may be subject to significant action(s) by IRC and state and federal agencies.

A. Reverse Churning - Putting investors in accounts that pay a fixed fee but generate little or no activity to justify that fee. Realizing that this is not a one-on-one comparison; if account activity is low the advisor must be able to justify and show that the fees the client is paying are fair and reasonable.

B. Double-Dipping - Advisers who generate significant commissions within a client's brokerage account, then move that client into an advisory account and collect additional fees.

C. Front Running - Front running is the illegal practice of a stockbroker executing orders on a security for its own account while taking advantage of advance knowledge of pending orders from its customers.

D. Establishing false or fictitious accounts.

E. Entering false information on a customer account.

F. Entering orders without the consent of the customer.

G. Selling under the auspices of another broker dealer without the approval of the Firm.

H. Soliciting or accepting business in jurisdictions without being licensed in that jurisdiction.

I. Customer accounts which are “spaced” among different fund groups in products with similar objectives, unless a written letter of understanding is obtained.

J. Customer accounts which show the Investment Advisor’s home or business address as the address of record.

K. Displaying a Investment Research Corporation sign at a business location, whether home or office, or otherwise holding him or herself out to the public as an office of the Firm without the benefit of branch office registration.

L. Accepting a customer check for the payment of securities made payable to a personal account or accounts controlled by the Investment Advisor.

M. Converting customer funds or assets for personal use.

N. Failure to clear customer orders through the Firm’s Main Office.

O. Withholding a customer order.

P. Trading securities on the basis of insider information.

Q. Withholding customer mail.

R. Borrowing or loaning of securities or funds between the Investment Advisor and a customer.

S. No member or person associated with a member shall, directly or indirectly, give, permit to be given or receive, anything of value, including gratuities, in excess of one hundred dollars per individual, aggregate with the Firm, per calendar year to any person, principal, proprietor, employee, agent or representative of another person where such payment or gratuity is in relation to the business of the employer of the recipient of the payment or gratuity. A gift of any kind is considered a gratuity.
Occasional gifts outside the $100 limit are permitted as long as;

1. The gift does not call into question the Firm’s ethical standards,
2. Contains no preconditions or conditions, and
3. Prior written approval is gained from the Firm’s Chief Compliance Officer. Meeting the first two conditions does not guarantee approval.

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38. Branch Office

Branch offices are subject to an audit at least every three years by the Main Office to consist of a review of at a minimum:

A. Supervisory Procedures
B. Evidence that the Main Office is the Office of Supervisory Jurisdiction (a sign posted in a prominent place)
C. Safeguarding customer funds and securities
D. Maintenance of books and records
E. Customer accounts serviced by the branch
F. Fund transmittal records
G. Validation of customer address changes
H. Validation of customer account information changes including address changes
I. Audits performed by the Branch Manager
J. Form BR.
K. Plus any other item or items which may include an audit of additional books and records and any other compliance related items.

If an IAR does not engage in all of the activities enumerated above, the IAR must identify those activities in which it does not engage in the written inspection report and document in the report that supervisory policies and procedures for such activities must be in place before the IAR can engage in them.

The annual audits are generally performed the CCO but may be performed by another qualified individual.

The annual audit process is tentatively scheduled to begin typically in April or May. However, this is a tentative time frame only and the audit may be scheduled for another time period if the need should arise. Audits may also be increased or decreased in frequency, as allowed by regulations, and announced or unannounced as the Firm deems necessary.

The results of each audit will be recorded in a written report that will be kept on file at the Main Office for a time period not less than three years or until, at a minimum, the next audit is performed.

39. Operational Procedures

A. Shared Expenses

All shared expenses will be governed by the signed agreements between IRC and the other contracting party.

Prior to transfer of monies resulting from shared expenses two people, one of who must be a senior member of management, must verify that:

1. The expenses fall within the guidelines of the agreement(s).
2. The amounts are correctly allocated according to the agreement(s).
3. The total amount due balances.

Preparing and verifying individuals must initial and date the work paper(s) evidencing such.

These work papers will be provided to the board of the other contracting party upon request.

B. Shared Information

IRC will share information necessary, and as requested, to the boards of other companies that they have entered into agreements with as deemed necessary and appropriate by the CCO. The CCO will review and approve the requested material prior to its delivery.

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In general, it is the duty of an investment adviser to furnish, such information as may reasonably be necessary to evaluate the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of a company.

C. Research

IRC does not engage outside sources for research purposes.

Section 28(e)(3) provides that a broker is deemed to provide brokerage and research services if the broker; furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and fee schedules of securities or purchasers or sellers of securities; furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or if required by rules of the SEC or a self-regulatory organization.

D. Good Faith

IRC shall act “in good faith” in exercising investment discretion.

E. Hedge Funds

IRC and its clients/advisors do not purchase or sell Hedge Funds.

F. Disclosure of Financial and Disciplinary Information

Rule 204(4) makes it unlawful for an investment adviser which has discretionary authority over client accounts to fail to disclose all material facts relating to: (i) any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients; or (ii) a legal or disciplinary event that, is material to a client's evaluation of the adviser's integrity or ability to meet Its contractual commitments.

G. Non-Trading Errors

When a mistake is suspected, the problem should be analyzed and verified as soon as possible.

Many apparent errors are found not to be errors upon detailed examination. If an error truly has occurred, it must be brought to the attention of the Chief Compliance Officer and senior IRC management immediately.

The next step is to determine if it has affected any client of IRC in a material way. Mistakes that result in a gain to a client almost always result in the client being allowed to keep the accidental benefit received. Errors that result in a loss to the client may or may not result in IRC making the client whole. The Securities and Exchange Commission recognizes that mistakes can occur, and need not be corrected in all circumstances. For example, errors in pricing individual securities may or may not materially affect the calculation of net asset value per share (NAV) of a mutual fund. If the error causes the actual NAV to be materially different than the calculated and announced NAV, there may be legal and monetary issues involved.

Errors involving the IRC client mutual funds are required to be reported to the Board of Directors of the Fund.

Generally, it is the policy of the IRC to correct any mistake involving a regulatory requirement as soon as possible after it is discovered. Similarly, mistakes that result in a material loss to a client are to be corrected as soon as possible after the amount is verified. Mistakes that do not involve either a regulatory requirement or a material loss to a client generally do not result in a correcting payment by the AND. The first decision on whether a correcting payment must be made, and in what amount, is the determination of the Fund’s CCO.

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H. Mutual Fund Compliance Responsibilities

The portfolio manager of the Fund is responsible for assuring that:

1. every investment selection for the Fund's portfolio is made in accordance with the Fund's investment objectives, policies and restrictions as set forth in the Fund's prospectus and statement of additional information;

2. investment selections for a Fund's portfolio are supported by investment research;

3. borrowings by the Fund, if any, comply with policies and restrictions as set forth in the Fund's prospectus and SAI;

4. turnover is within parameters set forth in the Fund's registration statement;

5. records are maintained and kept current regarding research materials, investment authorizations and investments in illiquid securities and in derivatives; and

6. compliance is maintained with the duties assigned to the portfolio manager and the standards and guidelines set forth in the policies and procedures adopted by IRC.

The Trading Department is responsible for assuring that:

7. every portfolio transaction for a Fund is made with an effort to obtain the best price and execution;

8. transactions in OTC securities are affected only with market makers unless a better price is otherwise obtained;

9. records of all orders placed with brokers and dealers are maintained;

10. compliance is maintained with the duties assigned to the Trading Department and the standards and guidelines set forth in the policies and procedures adopted by IRC.

The Accounting Department is responsible for:

11. maintaining internal accounting controls;

12. monitoring compliance with diversification requirements of the Internal Revenue Code and monitoring compliance with the diversification requirements of the 1940 Act and for monitoring compliance with regulations applicable to leveraged transactions;

13. maintaining records regarding brokerage orders, diversification requirements, lending of portfolio securities, repurchase agreements and leveraged transactions.

The Compliance Department is responsible for:

14. maintaining on a current basis IRC's Form ADV and this Manual.

I. Blue Sky

The term "blue sky" refers to the process of qualifying offers and sales of securities in the states or other jurisdictions in which the issuer (or other) desires to sell the securities. It also encompasses the myriad of other filings and information requirements necessary to complete and/or continue such qualification.

J. Customer Identification Program

We have established, documented, and maintain a written Customer Identification Program (or CIP). We will collect certain minimum customer identification information from each customer who opens an account; utilize risk-based measures to verify the identity of each customer who opens an account; record customer identification information and the verification methods and results; provide notice to customers that we will seek identification information and compare customer identification information with government-provided lists of suspected terrorists.

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1. **Required Customer Information**

Prior to opening an account, we will collect the following information for all accounts, if applicable, for any person, entity or organization who is opening a new account and whose name is on the account: the name; date of birth (for an individual); an address, which will be a residential or business street address (for an individual), an Army Post Office ("APO") or Fleet Post Office ("FPO") number, or residential or business street address of next of kin or another contact individual (for an individual who does not have a residential or business street address), or a principal place of business, local office or other physical location (for a person other than an individual); an identification number, which will be a taxpayer identification number (for U.S. persons) or one or more of the following: a taxpayer identification number, passport number and country of issuance, alien identification card number or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other similar safeguard (for non-U.S. persons). In the event that a customer has applied for, but has not received, a taxpayer identification number, the customer is subject to withholding until a taxpayer identification number is provided and confirmed. If the customer fails to obtain and provide their taxpayer identification number within a reasonable period of time, generally 90 days after the account is opened, the AML Compliance Officer will promptly be informed and will determine if we should report the situation to FinCEN (i.e., file a Form SAR-SF).

When opening an account for a foreign business or enterprise that does not have an identification number, we will request alternative government-issued documentation certifying the existence of the business or enterprise.

When individuals are unable to provide a second form of ID the AML Compliance Officer may accept, at his discretion, any legal document (such as a power of attorney) or bank statement or other like document, subject to pre-approval by the Chief Compliance Officer. All documents submitted must be verifiable by conventional means. Acceptance of any form of ID is at the sole discretion of the Chief Compliance Officer on a case-by-case basis.

2. **Customers Who Refuse To Provide Information**

If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, our Firm will not open a new account and, after considering the risks involved, consider closing any existing account. In either case, our AML Compliance Officer will be notified so that we can determine whether we should report the situation to FinCEN (i.e., file a Form SAR-SF).

3. **Verifying Information**

Based on the risk, and to the extent reasonable and practicable, we will ensure that we have a reasonable belief that we know the true identity of our customers by using risk-based procedures to verify and document the accuracy of the information we get about our customers. In verifying customer identity, we will analyze any logical inconsistencies in the information we obtain.

We will verify customer identity through documentary evidence, non-documentary evidence, or both. We will use documents to verify customer identity when appropriate documents are available. In light of the increased instances of identity fraud, we will supplement the use of documentary evidence by using the non-documentary means described below whenever possible. We may also use such non-documentary means, after using documentary evidence, if we are still uncertain about whether we know the true identity of the customer. In analyzing the verification information, we will

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consider whether there is a logical consistency among the identifying information provided, such as the customer's name, street address, zip code, telephone number (if provided), date of birth, and social security number.
Appropriate documents for verifying the identity of customers include, but are not limited to, the following:

a. For an individual, an unexpired government-issued identification evidencing nationality, residence, and bearing a photograph or similar safeguard, such as a driver's license or passport; and

b. for a person other than an individual, documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust instrument.

We understand that we are not required to take steps to determine whether the document that the customer has provided to us for identity verification has been validly issued and that we may rely on a government-issued identification as verification of a customer's identity. If, however, we note that the document shows some obvious form of fraud, we must consider that factor in determining whether we can form a reasonable belief that we know the customer's true identity.
We will use the following non-documentary methods of verifying identity:

c. Contacting a customer;
Independently verifying the customer's identity through the comparison of information provided by the customer with information obtained from a consumer reporting agency, public database, or other source;

d. Checking references with other financial institutions; or

e. Obtaining a financial statement;

Performing a Background Check (i.e., Credit Reports, et al).
We will use non-documentary methods of verification in the following situations:

f. when the customer is unable to present an unexpired government-issued identification document with a photograph or other similar safeguard;

g. when the Firm is unfamiliar with the documents the customer presents for identification verification;

h. when the customer and the Firm do not have face-to-face contact; and

i. when there are other circumstances that increase the risk that the Firm will be unable to verify the true identity of the customer through documentary means.

We will verify the information within a reasonable time before or after the account is opened. Depending on the nature of the account and requested transactions, we may refuse to complete a transaction before we have verified the information, or in some instances when we need more time, we may, pending verification, restrict the types of transactions or dollar amount of transactions. If we find suspicious information that indicates possible money laundering or terrorist financing activity, we will, after internal consultation with the Firm's AML Compliance Officer, file a SAR-SF in accordance with applicable law and regulation.
We recognize that the risk that we may not know the customer's true identity may be heightened for certain types of accounts, such as an account opened in the name of a corporation, partnership or trust that is created or conducts substantial business in a jurisdiction that has been designated by the U.S. as a primary money laundering concern or has been designated as non-cooperative by an international body. We will identify customers that pose a heightened risk of not being properly identified. Therefore, we will take the following additional measures that may be used to obtain

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information about the identity of the individuals associated with the customer when standard documentary methods prove to be insufficient:
Perform background checks on individuals responsible for the financial condition and operations of said corporation, partnership or trust account(s).
Report all findings to the AML Compliance Officer prior to opening the account. The AML Compliance Officer will make the final decision if the account should be opened, request additional information and/or file a SAR-SF with FinCEN.

4. Lack of Verification

When we cannot form a reasonable belief that we know the true identity of a customer, we will do the following:

a. not open an account;
b. impose terms under which a customer may conduct transactions while we attempt to verify the customer's identity;
c. close an account after attempts to verify a customer's identity fail; and
d. file a SAR-SF in accordance with applicable law and regulation.

40. Pay to Play (Rule 2030)

Covered members may not engage in distribution or solicitation activities for compensation with a government entity on behalf of an investment adviser that provides, or is seeking to provide, investment advisory services to such government entity within two years after a contribution to an official of the government entity is made by the covered member or a covered associate (including a person who becomes a covered associate within two years after the contribution is made).
A "covered member" is "any member except when that member is engaging in activities that would cause the member to be a municipal advisor as defined in Exchange Act Section 15B(e)(4), SEA Rule 15Ba1-1(d)(1) through (4) and other rules and regulations thereunder."
A member firm that solicits a government entity for investment advisory services on behalf of an unaffiliated investment adviser may be required to register with the SEC as a municipal advisor as a result of such activity. Under such circumstances, MSRB rules applicable to municipal advisors, including the MSRB's pay-to-play rule, would apply to the member firm.
If the member firm solicits a government entity on behalf of an affiliated investment adviser, such activity would not cause the firm to be a municipal advisor. Under such circumstances, the member firm would be a "covered member" subject to the requirements of Rule 2030.
A "covered associate" is:

A. any general partner, managing member or executive officer of a covered member or other individual with a similar status or function;
B. any associated person of a covered member who engages in distribution or solicitation activities with a government entity for such covered member (and such person's supervisor); and
C. any political action committee (PAC) controlled16 by a covered member or a covered associate.

Rule 2030 applies to covered members acting on behalf of any investment adviser registered (or required to be registered) with the SEC, or unregistered in reliance on the exemption available under Section 203(b)(3) of the Advisers Act for foreign private advisers, or that is an exempt reporting adviser under Advisers Act Rule 204-4(a). It does not apply to member firms acting on behalf of advisers that are registered with state securities authorities instead of the SEC, or advisers that are unregistered in reliance on exemptions other than Section 203(b)(3) of the Advisers Act.

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An official of a government entity includes an incumbent, candidate or successful candidate for elective office of a government entity if the office is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser or has authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser. Government entities include all state and local governments, their agencies and instrumentalities, and all public pension plans and other collective government funds, including participant-directed plans such as 403(b), 457 and 529 plans.

The two-year time period is triggered by contributions made by a covered member or any of its covered associates. Rule 2030(g)(1) defines a "contribution" to mean any gift, subscription, loan, advance, or deposit of money or anything of value made for:

D. the purpose of influencing any election for federal, state or local office;

E. payment of debt incurred in connection with any such election; or

F. transition or inaugural expenses of the successful candidate for state or local office.

FINRA does not consider a donation of time by an individual to be a contribution, provided the covered member has not solicited the individual's efforts and the covered member's resources, such as office space and telephones, are not used. Similarly, FINRA would not consider a charitable donation made by a covered member to an organization that qualifies for an exemption from federal taxation under the Internal Revenue Code, or its equivalent in a foreign jurisdiction, at the request of an official of a government entity to be a contribution for purposes of the rule.

The rule attributes to a covered member contributions made by a person within two years of becoming a covered associate. This applies to any person who becomes a covered associate, including a current employee who has been transferred or promoted to a position covered by the rule. A person becomes a "covered associate" for purposes of the rule's provision at the time he or she is hired or promoted to a position that meets the definition of a "covered associate". The two-year period begins on the contribution date.

Rule 2030(b) prohibits a covered member or covered associate from soliciting or coordinating any person or PAC to make any:

G. contribution to an official of a government entity in respect of which the covered member is engaging in, or seeking to engage in, distribution or solicitation activities on behalf of an investment adviser; or

H. payment to a political party of a state or locality of a government entity with which the covered member is engaging in, or seeking to engage in, distribution or solicitation activities on behalf of an investment adviser.

Rule 2030(e) provides that it shall be a violation of Rule 2030 for any covered member or any of its covered associates to do anything indirectly that, if done directly, would result in a violation of the rule.

Rule 2030(d)(1) provides that a covered member that engages in distribution or solicitation activities with a government entity on behalf of a covered investment pool in which a government entity invests or is solicited to invest shall be treated as though the covered member was engaging in or seeking to engage in distribution or solicitation activities with the government entity on behalf of the investment adviser to the covered investment pool directly. Rule 2030(d)(2) provides that an investment adviser to a covered investment pool in which a government entity invests or is solicited to invest shall be treated as though that investment adviser were providing or seeking to provide investment advisory services directly to the government entity.

Rule 2030(d) applies the prohibitions of the rule to situations in which an investment adviser manages assets of a government entity through a hedge fund or other type of pooled investment vehicle.

I. Exceptions and Exemptions

1. De Minimis Contributions

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Rule 2030(c)(1) excepts from the rule's restrictions contributions made by a covered associate that is a natural person to government entity officials for whom the covered associate was entitled to vote32 at the time of the contributions, provided the contributions do not exceed $350 in the aggregate to any one official per election. If the covered associate was not entitled to vote for the official at the time of the contribution, the contribution must not exceed $150 in the aggregate per election.

Under both exceptions, primary and general elections are considered separate elections.

2. New Covered Associates

Rule 2030(c)(2) provides an exception from the rule's restrictions for covered members if a natural person made a contribution more than six months prior to becoming a covered associate of the covered member unless the covered associate engages in, or seeks to engage in, distribution or solicitation activities with a government entity on behalf of the covered member.

3. Certain Returned Contributions

Rule 2030(c)(3) provides an exception from the rule's restrictions for covered members if the restriction is due to a contribution made by a covered associate and:

a. the covered member discovered the contribution within four months of it being made;

b. the contribution was less than $350; and

c. the contribution is returned within 60 days of the discovery of the contribution by the covered member.

J. the names, titles and business and residence addresses of all covered associates;

K. the name and business address of each investment adviser on behalf of which the covered member has engaged in distribution or solicitation activities with a government entity within the past five years (but not prior to the rule's effective date);

L. the name and business address of all government entities with which the covered member has engaged in distribution or solicitation activities for compensation on behalf of an investment adviser, or which are or where investors in any covered investment pool on behalf of which the covered member has engaged in distribution or solicitation activities with the government entity on behalf of the investment adviser to the covered investment pool, within the past five years (but not prior to the rule's effective date); and

M. all direct or indirect contributions made by the covered member or any of its covered associates to an official of a government entity, or direct or indirect payments to a political party of a state or political subdivision thereof, or to a PAC.

The rule requires that the direct and indirect contributions or payments made by the covered member or any of its covered associates be listed in chronological order and indicate the name and title of each contributor and each recipient of the contribution or payment, as well as the amount and date of each contribution or payment, and whether the contribution was the subject of the exception for returned contributions in Rule 2030.

41. Impartial Conduct Standards

The standards specifically require advisers and financial institutions to:

A. Give advice that is in the "best interest" of the retirement investor. This best interest standard has two chief components: prudence and loyalty:

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1. Under the prudence standard, the advice must meet a professional standard of care as specified in the text of the exemption;
2. Under the loyalty standard, the advice must be based on the interests of the customer, rather than the competing financial interest of the adviser or firm;

B. Charge no more than reasonable compensation;2 and

C. Make no misleading statements about investment transactions, compensation, and conflicts of interest.

42. Electronic Communications

A. Rule 204-2(a)(7) requires advisers to keep original written communications (both sent and received) relating to;
1. any recommendation made or proposed to be made and any advice given or proposed to be given,
2. any receipt, disbursement or delivery of funds or securities,
3. the placing or execution of any order to purchase or sell any security,
4. the performance or rate of return of any or all managed accounts or securities recommendations, and
5. each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that the investment adviser circulates or distributes, directly or indirectly, to ten or more persons.

B. Advisor's may only communicate electronically with clients using IRC approved methods of electronic communication.

C. IRC will monitor and review approved electronic communications using both flagged keywords and 10% random sampling.

D. IRC will cause all electronic communications to me archived by an independent, 3rd party vendor.

E. All business electronic email communications must be sent/received via the email address assigned to each advisor by IRC.
1. Advisors are not permitted to respond to business emails sent to personal email addresses using personal email addresses. Advisors must forward those emails to the email address assigned by IRC and then respond to that email using their email address assigned by IRC.
   a. It is highly recommended that when responding to above mentioned client emails that the advisor include a request that the client send all business emails to [the advisor's email address provided by IRC].
2. Emails sent by a client to an advisor's personal email address, but are not responded to, must be forwarded to the advisor's email address assigned to the advisor by IRC.

F. Advisors are permitted to text clients using Global Relay's Message service only.
1. Advisors are not permitted to respond to business texts sent to personal text phone numbers using personal text phone numbers. Advisors must forward those texts to the email address assigned by IRC and then respond to that text using Global Relay Message.
   a. It is highly recommended that when responding to above mentioned client emails that the advisor include a request that the client send all texts to [the phone number provided by IRC].
2. Texts sent by a client to an advisor's personal phone, but are not responded to, must be forwarded to the advisor's email address assigned to the advisor by IRC.

G. Advisors are permitted to use Facebook, LinkedIn and Twitter (social media) with prior approval. Advisors will be required to provide their account login and password (via a secure link) so that IRC can review and properly archive these social media accounts.

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H. If an Advisor receives any electronic business communication by a method other than those listed above, the Advisor must forward that communication to the email address assigned to them by IRC. Advisors are not permitted to respond into these messages using any other means than the email address assigned to them by IRC.

1. It is highly recommended that when responding to above mentioned client communication that the advisor include a request that the client send all business emails to [the advisor's email address provided by IRC].

I. The use of Chat Rooms and other similar modes of communication are prohibited.

J. All electronic client communications sent or received by an Advisor are subject to review by the IAR's supervising principal, or other appropriate associate appointed by the supervising principal, and may be retained in client files.

K. Advisors may be required to pay additional fees associated with the archiving and ongoing review of social media accounts.

L. Advisors are not permitted to utilize programs that allow the automatic destruction of electronic communications.

M. Advisors will be required to participate in training regarding Electronic Communications.

N. Advisors will be required to make a statement regarding IRC's Electronic Communication Policy.

O. Violations of IRC's Electronic Communications Policies may result in disciplinary actions such as (in part) Letters of Caution, fines, suspension and/or termination.

43. Absenteeism

A. IARs and associates should make sure that while on vacation or otherwise unavailable that:

1. IRC is notified of their absence.

2. Emails are either monitored or set to auto-respond that the IAR is unavailable as well as an anticipated return date and instructions on who the client should contact if they need assistance.

3. Voicemails are changed to reflect that IAR is unavailable as well as an anticipated return date and instructions on who the client should contact if they need assistance.

B. IARs are welcome to provide customers with our telephone number (303-626-0634) as an alternate point of contact while absent.

44. Investment Committee

A. The Investment Committee ("IC") is tasked with monitoring and managing American Growth Fund's portfolios. The IC should meet once per week at a minimum, as market conditions require, or as other factors dictate.

B. The IC will adhere to each Fund's currently effective Form N1-A including, but not limited to, the individual investment strategies of each fund and their principal investment strategies.

C. When selling a position, the IC will apply the same matrix as discussed in each fund's Form N1-A. However, if required to sell in order to cover a redemption, or other like event, the IC generally will look for positions that are underperforming or with poor market outlook first. Alternatively, the IC may sell portions of multiple positions to meet redemptions.

45. C. Code of Ethics. Every associate, officer and director of IRC is responsible for his or her own compliance with the IRC's Code of Ethics ("COE"). If an associate, officer, or director has any question about the COE they are encouraged to contact IRC's Chief Compliance Officer ("CCO").

Each associate, officer and director will submit monthly, or as requested, form "Security Memo" as provided by the CCO or another qualified person appointed by the CCO. In general, Security Memos will be issued to individuals who hod accounts outside of the Firm.

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Exhibits

Compliance Manual Acknowledgement of Receipt
Advisory Agreement Addendum
IRC Cybersecurity Protocol
IRC Brochure (Form ADV II)
IRC Application
IRC Code of Ethics
IRC Business Contingency Plan

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Acknowledgement of Receipt
Investment Research Corporation
dba. World Capital Brokerage Advisory Services

Compliance Manual

From:

_____
Supervised Person's Name (please print)

_____
CRD#

This is to acknowledge that I have received the Investment Research Corporation, dba World Capital Brokerage Advisory Services', Compliance Manual. I confirm that I have carefully read and fully understand my duties, responsibilities and obligations as specified in this Compliance Manual. I will contact my immediate supervisor with any questions or concerns I may have regarding the material in Investment Research Corporation, dba World Capital Brokerage Advisory Services', Compliance Manual or my responsibilities under federal or state laws and regulations as well as all Investment Research Corporation, dba World Capital Brokerage Advisory Services', policies.
Furthermore I fully understand and agree to abide by Investment Research Corporation's policies regarding Electronic Communications and will only use modes of Electronic Communications that I am permitted to use.

_____
Supervised Person's Signature

_____
Date

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Advisory Agreement Addendum
Investment Research Corporation
dba. World Capital Brokerage Advisory Services

_____ _____
Client *Date of Birth*

I understand that Investment Research Corporation, dba World Capital Brokerage Advisory Services, ("Firm") may not assign the Advisory Agreement without my consent.

I confirm that I have received, reviewed and understand the Firm's Brochure / ADV Part II.

I confirm that I have received information relevant to the type(s) of my assets that will be managed by the Firm as well as my limitations when selecting Broker/Dealers, what advisor fees I will be or could be responsible for, and other terms relevant to the relationship between myself and my Investment Advisor Representative.

I also understand that that I can terminate the Advisory Agreement within the first five business days without penalty.

_____ _____
Client Signature *Date*

_____ _____
Investment Advisor Representative Name *CRD#*

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Cybersecurity Protocol

I. General. Cybersecurity is the protection of investor and firm information from compromise through the use, in whole or in part, of electronic digital media. In an ever increasing electronic world, cybersecurity is becoming more of a concern, not only for the investor whose personal information investment advisor representatives and Investment Research Corporation ("IRC") possess, but also for the investment advisor representative, as well as the firm, with the creation of a negative public image and legality issues.

Malware, short for malicious software, is any software used to disrupt computer operation, gather sensitive information, or gain access to private computer systems such as computer viruses, worms, trojan horses, ransomware, spyware, adware or scareware. Malware may be stealthy, intended to steal information or spy on computer users for an extended period without their knowledge, or it may be designed to cause harm, often as sabotage or to extort payment. Malware is often disguised as, or embedded in, non-malicious files such as email attachments. Typically malware is self-replicating, emailing itself to your contacts in your computer using your email program and address, in an effort to infect as many computers as possible.

IRC personnel receives emails from the Federal Bureau of Investigation Cyber Division regarding cyber activity. These reports are provided to key personnel for analysis and possible dissemination (depending on the Traffic Light Protocol level issued with said report).

II. Definitions.

A. Personal Information – personal information is any information that can be used by another person to do harm. Personal information does not include names, addresses or phone numbers. Personal information includes, in part; social security number, date of birth, passwords, driver's license number, credit card number, account number, pin number, account value, etc.

B. Firewall – a firewall is a network security system that controls the incoming and outgoing network traffic based on an applied rule set. A firewall establishes a barrier between a trusted, secure internal network and another network (e.g., the Internet) that is assumed not to be secure and trusted.

C. Router – is a networking device that forwards data packets between computer networks (e.g., your computer and the internet.

D. Wi-Fi – wireless technology that allows your computer and other electronic devices to communicate with each other as well as communicate with the internet.

E. Trojan Horse - A Trojan horse appears to be nothing more than an interesting computer program or file, such as "deliveryrefused.pdf " on the computer or in an email. The Trojan virus once on your computer, doesn't reproduce, but instead makes your computer susceptible to malicious intruders by allowing them to access and read your files.

F. Worm - A Worm is a virus program that copies and multiplies itself by using computer networks and security flaws. Worms are more complex than Trojan viruses, and usually attack multi-user systems or personal computers and can spread over corporate networks, social media and amongst friends via the circulation of emails using your personal contact list

G. Email Virus – e mail viruses use email messages to spread. An email virus can automatically forward itself to thousands of people, depending on whose email address it attacks. To avoid receiving virus-laden emails, always check that your antivirus software is up-to-date and also

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stay clear of opening attachments, even from friends that you weren't expecting or don't know anything about. Also, block unwanted email viruses by installing a spam filter and spam blocker.

III. Software.

A. Anti-Virus Software. All computers that contain or receive personal information must have an anti-virus software program installed. The software must continually run, auto-update and auto scan email attachments.

B. Firewall. All computers that contain or receive personal information must have an active firewall program installed and running. Many personal computer operating systems include software-based firewalls to protect against threats from the public Internet. Many routers that pass data between networks contain firewall components and, conversely, many firewalls can perform basic routing functions.

C. Encryption. Bitlocker is a full volume data encryption program available on most new versions of Windows. Bitlocker To Go lockdowns USB flash drives and Portable hard drives. While not required for desktop computers, all portable media, including but not limited to USB drives, backup tapes, and the drives of portable end-user terminals such as laptops, must be encrypted.

IV. Wi-Fi.

No computer may use a wireless (Wi-Fi) network or internet connection unless an advanced encryption program (256-bit or higher) is in constant use. Devices with client personal information are prohibited from using public Wi-Fi.

A. Representatives utilizing Wi-Fi will need access the IP or Mac logs to review who has access to the system on a weekly basis. These reports will need to be printed, initialed, dated and filed in an easy to access location. If a foreign user is discovered the Representative must:

1. Change the Wi-Fi password,
2. Run a full virus/malware scan on all attached computers, and
3. Notify the home office of the incident.

V. Hardware.

A. Computers must:

1. Have an anti-virus program as described above.
2. Have a firewall as described above.
3. Should be hardwired for internet connection or, if that is not practicable, can only accept data that is transmitted with 256 not encryption or better.
4. Must require a password upon turning on the computer.
5. Screensaver:
   a. must be enabled.
   b. must be set to five minutes or less
   c. must require a password to re-enable the computer.

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6. Must utilize a currently supported operating system. For example, Windows XP is no longer supported by Mircosoft so that operating system would have to be upgraded or replaced.

B. Cell Phones that that contain or receive personal information must utilize a locking mechanism to prevent unauthorized access should the phone be lost or stolen. IRC strongly recommends against keeping client personal information on your cell phone.

C. Other devices, such as PDAs or iPads, that that contain or receive personal information must utilize a locking mechanism to prevent unauthorized access should the phone be lost or stolen. IRC strongly recommends against keeping client personal information on your other devices.

D. The Server room is to remain locked at all times.

E. An inventory of all computers and devices is to be kept and updated whenever the physical inventory changes. This inventory must be kept in an easily accessible location.

VI. Data at Rest.

All portable media, including but not limited to USB drives, backup tapes, and the drives of portable end-user terminals such as laptops, must be encrypted. Please refer to the Software section of this Cybersecurity Protocol.

VII. Cloud Storage.

IRC does not permit client personal information to be stored on a cloud unless prior written approval is first provided by the CCO.

VIII. Email.

Personal information must be sent as an attachment and must be encrypted using Adobe Acrobat and your assigned password. Representatives are prohibited from otherwise encrypting emails or email attachments. The password cannot be included in the email. Passwords should be communicated verbally to the recipient but alternately may be sent in a separate email. IRC reminds its advisors and associates that only approved email addresses are allowed to be utilized.

A. Threats

1. Malware - malware is an umbrella term used to refer to a variety of forms of hostile or intrusive software, including computer viruses, worms, trojan horses, ransomware, spyware, adware, scareware, and other malicious programs. It can take the form of executable code, scripts, active content, and other software. These can easily be included as attachments in emails and can come from trusted sources like associates and friends whose computers have already been compromised. **Remember, your friends do not have to actually click the send button to send you an email.** Many email viruses will automatically reproduce itself by sending emails immediately to all of the contacts on your or your friend's computers. While malware can be delivered to you in many ways one of the most common ways is utilizing files ending in ".exe."
2. Phishing - Phishing is the attempt to acquire sensitive information such as usernames, passwords, and credit card details (and sometimes, indirectly, money), often for malicious reasons, by masquerading as a trustworthy entity in an electronic communication. Many of these attacks contain links to click on that will direct you to a page that is made to look believable enough

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to gain your trust so that you try and login to your account. Emails stating that there is an amount past due, that require you to login to an account, offer you money if you provide your bank account info, et cetera, are very common types of attacks. Use the phone numbers provided on your bills, **NOT what is provided on the email in question**, to contact the institution in question and verify that the email is valid.

IX. Passwords and Biometrics.

A. Advisors and Associates are prohibited from sharing passwords.

B. Passwords must contain at least one lower case letter, one upper case letter, one number and one special character (such as !, $ or @) and must be a minimum of eight characters. Alternately some programs do not allow for all four components to be used. If that is the case then you should use as many of the parameters as possible.

C. It is strongly encouraged that you use the most amount of characters allowed whenever setting up or changing passwords.

D. It is strongly encouraged that all computers and devices use a form of biometrics to secure the computer and/or device. Items such as fingerprint scanners or facial recognition are a very successful alternatives to using passwords.

X. Data in Transit.

Occasionally it may be impractical to transport data (see Data at Rest), either through size or time constraints. In those instances, data can be transmitted between two secure sources via https://.

XI. Termination.

Immediately upon termination, IRC shall or shall cause, all known passwords for the terminated person be deleted.

XII. Training.

All new employees must complete training within 30 days of hire. Training of new employees must include all topics of this protocol.
All employees must complete annual training which can include topics from this protocol as well as updated policies and/or any relevant industry updates and any cyber-attacks against the company.

XIII. Review.

A. Reviews of this cybersecurity plan, including penetration testing, must be conducted annually. The results and recommendations of which to be presented to the board as a report.
The review should include;

1. identify and document asset vulnerabilities;
2. review threat and vulnerability information from information sharing forums and sources;
3. identify and document internal and external threats;
4. identify potential business impacts and likelihoods;

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5. use threats, vulnerabilities, likelihoods and impacts to determine risk; and
6. identify and prioritize risk responses.

B. As part of the annual review of service provider's cybersecurity protocols must be reviewed.

C. Wi-Fi logs must be created, reviewed and logged daily or as practicable and, at a minimum reviewed monthly. These reviews should carefully scrutinize what IP or Mac addresses are accessing the system.
If unauthorized access is found then the user must run a complete virus scan on the computer(s)/system immediately.

D. Reviews as it relates to Registered Representatives

1. Advisors that maintain client personal information on electronic devices, including computers, must annually go through the same penetration testing IRC does.
   a. Client personal information need only exist on the electronic device or computer. It does not matter if the data was placed there intentionally or unintentionally.
   b. Advisor will reimburse IRC for all costs associated with penetration testing.
2. Advisor will be required to annually certify that they do, or do not, have client personal information on their electronic devices including computers.
   a. Client personal information need only exist on the electronic device or computer. It does not matter if the data was placed there intentionally or unintentionally.
   b. Advisor who certifies that they do not have client personal information on their electronic devices or computers, but are later found to have client personal information on their electronic devices or computers will be required to undergo immediate penetration testing at their cost. Additionally, these Advisor may be required to pay a fine for previous missed annual penetration testing up to the cost of the penetration testing of those missed years.

XIV. Outside Service Providers.

When considering a relationship with an outside service provider the following contractual obligations should be considered.

A. Non-disclosure agreements/confidentiality agreements: This language outlines confidential material, knowledge or information that the parties exchange, such as customer personal information. The parties agree not to share further or disclose information obtained under the contract.

B. Data storage, retention and delivery: This language describes how firm data should be stored and transmitted while on a vendor's system. This may include encryption requirements, requirements as to the type and location of servers used, and business recovery practices.

C. Breach notification responsibilities: This language addresses the manner and timing of the vendor's notification to the data owner of a security breach and the requirements as to who is responsible for notifying customers along with any related costs. Contract language also would include the definition of a breach as it relates to the data or systems involved.

D. Right-to-audit clauses: This language gives the data owner the ability to perform physical audits of the vendor's data storage facility and related controls. These clauses also might outline the vendor's responsibility for having a third-party test of the vendor's controls.

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E. Vendor employee access limitations: This language defines which vendor employees have access to firm data. Typically this language also documents the approval process for granting this access, e.g., who at the firm would approve employee access to restricted data.

F. Use of subcontractors: This language outlines any subcontractors that the vendor will use and that would have access to firm data. It also addresses the controls that the vendor would require at any subcontractor, for instance regarding employee data access or data encryption. Typically, controls expected to be present at the vendor would also be required at the subcontractor.

G. Vendor obligations upon contract termination: This language addresses requirements regarding the destruction or return of any data stored at the vendor's physical locations, including how quickly any data would be disposed of and written notification thereof. It also includes language related to removing employee access to the data.

XV. Incident Response.

In the event of a cyber-breach there are several possible responses that may be launched as appropriate. The person with authorization to launch the appropriate response is Timothy E. Taggart. In the event he is unavailable either Michael L. Gaughan or Patricia A. Blum may act in his stead. Each occurrence is liquid therefor these possible responses are not meant to direct absolutely, but to instead provide guidance.

A. Loss of ability to conduct business through virus or malware.
   1. Isolate infected system(s).
      a. immediately shut down all internet connections.
      b. shut down infected components.
   2. Identify strain.
   3. Launch corrective measures.
      a. patch, quarantine and repair, and/or
      b. rebuild.
   4. Test for further infection.
   5. Restore internet and monitor.
   6. Restore data.
      a. when in doubt make a second backup prior to restoring data.
   7. Change passwords.
   8. Investigate exploit.
   9. Report to FINRA coordinator.

B. Loss of client personal data through virus or malware

While it is still important to address the infection as described above, it is equally important to ascertain if any client personal data has been stolen. If client data has been breached:

   1. identify information and owner of the information that has been breached.
   2. inform SRO(s), law enforcement, and/or intelligence agency(ies).
   3. inform the data owner of the breach as well as the response.

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4. prepare corrective measures for clients (ie. reimbursement, credit monitoring, et al).
5. Investigate exploit.
6. Report to FINRA coordinator.

C. Loss of client personal data through internal theft

1. identify information and owner of the information that has been stolen.
2. inform SRO(s), law enforcement, and/or intelligence agency(ies).
3. inform the data owner of the theft as well as the response.
4. prepare corrective measures for clients (ie. reimbursement, credit monitoring, et al).
5. Investigate exploit.
6. Report theft to FINRA coordinator.

XVI. Reporting Agencies.

Reporting Agencies

Federal Trade Commission 877-438-4338 Consumer Response Center FTC 600 Pennsylvania Avenue, N.W. Washington, DC 20580	Federal Bureau of Investigation 303-629-7171 8000 East 36th Avenue Denver, CO 80238	FINRA Kimberly Fitzgerald (303) 446-3126 4600 S. Syracuse Street Suite 1400 Denver, CO 80237
CBI Identity Theft/Fraud & Cyber Crimes Unit 1-855-443-3489 690 Kipling Street, Ste. 4000 Denver CO 80215	Colorado State Attorney General 720-508-6000 300 Broadway Denver, CO 80203	SEC 303-844-1000 1961 Stout Street, Suite 1700 Denver, CO 80294

XXII. Additional resources are available by contacting cybertech@finra.org.

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