

# FAIRFAX GLOBAL INVESTMENT MANAGEMENT LLC

## Form CRS (Client Relationship Summary)

Effective March 27, 2025

Fairfax Global Investment Management LLC (the “Firm” or “we”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available for you to use at [Investor.gov/CRS](https://investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

**What is an investment adviser?** An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

### What investment services and advice can you provide me?

The Firm offers a combination of advisory and sub-advisory services, some of which are provided through separately managed accounts, using model portfolios created by the Firm.

Advisory accounts are monitored no less than annually. You have the option of investing your funds on a “discretionary” or “non-discretionary” basis. You may choose an arrangement in which we provide you with investment advice and you decide whether to accept or reject the advice (non-discretionary) or one in which we will make the ultimate investment decisions on your behalf (discretionary) consistent with the agreed upon restrictions you place on this authority. This decision is ultimately yours. Discretionary authority will be explicitly authorized through the completion of the Advisory Agreement and the Clearing Agent’s trading authorization or limited power of attorney forms, if applicable.

We do not limit our investment advice to a specific menu of products or proprietary investments. The advisory programs we offer have varying account minimum requirements, generally starting at \$30,000.

*Additional Information:* For more on the services and programs we offer, please see our Form ADV, Part 2A Brochure (Items 4 & 7) available at: <https://adviserinfo.sec.gov/firm/summary/314171>.

#### Conversation Starter – Ask Your Financial Professional:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### What fees will I pay?

We are paid an advisory fee. These fees are typically “asset based” meaning that the fee is calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your advisory agreement with us. This fee, which is generally charged quarterly, presents a conflict because it creates an

incentive for us to encourage you to increase the assets in your advisory account, as the more assets there are in your advisory account, the more you will pay us in advisory fees.

All fees paid to the Firm for advisory or sub-advisory services are separate and distinct from certain charges imposed directly by third parties. Such charges include, but are not limited to, custodial fees, charges imposed directly by an ETF in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, short-term redemption fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. Additionally, clients may incur brokerage commissions and transaction fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

*Additional Information:* More detailed information regarding our advisory fees can be found in Items 5.A., B., C., and D. of the Firm’s [ADV 2A Brochure](#).

#### Conversation Starter – Ask Your Financial Professional:

- 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?

### What are your legal obligations to me when acting as my investment advisor? How else

### Does your Firm make money and what conflicts of interest do you have?

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.*

*Additional Information:* For more on potential conflicts of interest, please see our Form ADV, Part 2A Brochure, available at:

<https://adviserinfo.sec.gov/firm/summary/314171>.

**Conversation Starter – Ask Your Financial Professional:**  
How might your conflicts of interest affect me, and how will you address them?

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## **How do your Financial Professionals make money?**

Financial Professionals are compensated as a percentage of the assets invested in your advisory account according to the agreed upon fee schedule in your advisory agreement. The portion of the revenue paid to the Financial Professional can increase based upon the total revenue generated.

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## **Do you or your Financial Professionals have legal or disciplinary history?**

Yes, some of our Financial Professionals do have legal and/or disciplinary history.

*Additional Information:* Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our Financial Professionals.

**Conversation Starter – Ask Your Financial Professional:**  
As a Financial Professional, do you have any disciplinary history? For what type of conduct?

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## **Where can I find additional information?**

**Conversation Starter – Ask Your Financial Professional:**

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
- Whom can I talk to if I have concerns about how this person is treating me?

For additional information about our investment advisory services, visit [www.fairfax-global.com](http://www.fairfax-global.com) or speak to your Financial Professional. You can request a copy of this CRS by calling us at 800-416-2053.

# **FAIRFAX GLOBAL INVESTMENT MANAGEMENT LLC**

(previously known as B. Riley Wealth Portfolio Advisers, LLC)

21509 Willisville Road  
Upperville, VA 20184  
540-905-5858

## **FORM ADV PART 2A FIRM BROCHURE**

**March 27, 2025**

(Previously revised March 31, 2024)

This Brochure provides information about the qualifications and business practices of Fairfax Global Investment Management LLC (“Fairfax” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Paul Dietrich, [PDietrich@Fairfax-Global.com](mailto:PDietrich@Fairfax-Global.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Fairfax Global Investment Management LLC (IARD #314171) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or expertise.

## Item 2 – Material Changes

Since the most recent update of this Form ADV Part 2A brochure (the “Brochure”), dated March 31, 2024, we have made the following material changes to the Brochure as summarized below and found in more detail under the following items:

- Item 4: Advisory Business:
  - Change in the name of the firm
  - Change in the direct and indirect owners of the firm
  - Change in the firm’s address
- Item 10. Other Financial Industry Affiliations
  - Removal of disclosures relating to affiliation with B. Riley Financial entities

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## Item 4 – Advisory Business

Fairfax Global Investment Management LLC (“Fairfax” the “Firm,” or “Adviser”) is an investment adviser with its principal place of business in Middleburg, Virginia. The Adviser has been in business since 2012 and was formerly known as “B. Riley Wealth Portfolio Advisers” (“**Fairfax**”) and owned by B. Riley Wealth Management Holdings, Inc., which is a wholly owned subsidiary of B. Riley Financial, Inc. In March 2025, Fairfax Global Markets LLC, a Delaware limited liability company owned equally by Paul Dietrich and James Aufferberg purchased all of the outstanding shares of Fairfax owned by B. Riley Wealth Management Holdings, Inc. As a result of this purchase, as of March 20, 2025, Fairfax Global LLC became the sole owner of the Adviser, the Adviser is no longer affiliated with any B. Riley entity and the Adviser’s name and principal place of business changed.

### Investment Advisory Services

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Fairfax offers a combination of advisory and sub-advisory services some of which are provided through separately managed accounts (“SMAs”). The Firm also manages certain client accounts using model portfolios created by the Firm (hereinafter “Fairfax Portfolios” or the “Model Portfolios”). Generally, the Model Portfolios are comprised of third-party managed exchange-traded funds (“ETFs”) or stocks. The Model Portfolios are continuously managed based on the Model Portfolio’s stated investment objectives.

The Model Portfolios may be held in SMAs, wrap, or non-wrap fee programs, offered mainly through third-party broker-dealers (“Custodians”) or other investment advisors (“Program Sponsors”). Program Sponsors typically offer a wide array of investment managers from which clients can choose. When a client (or client’s sponsor firm with discretion) selects an investment manager for the account, the client will usually grant the investment manager full trading discretion over the account. If Fairfax is selected to manage a client’s account maintained by a Program Sponsor, Fairfax will provide investment management services on a discretionary basis to the client in accordance with the Model Portfolio selected. When acting as a sub-advisor to these programs, the Firm is compensated by the Program Sponsor with a portion of the fee paid by the client. In these programs, Fairfax will often enter into a contract with the Program Sponsor rather than the client. However, in some instances, the client will enter into dual contracts with the Program Sponsor and Fairfax. In either type of contractual arrangement, the client is generally permitted to impose reasonable restrictions on the management of their account.

Clients are also referred to Fairfax by solicitors, who are independent investment advisers, investment adviser representatives of other registered investment advisers, registered representatives of broker-dealers, or, when permitted by state securities law, unregistered financial representatives (hereinafter “solicitors”). Each client will work with their financial representative to provide continuous investment advice and to determine which of Fairfax’s model portfolios are most appropriate given their financial situation, investment objectives, and risk tolerance. This data gathering process is completed by the client and their financial representative and should be used to make the decision whether to invest assets in any Fairfax model portfolio.

Fairfax also participates in Model Delivery programs where the Firm is retained by the Program Sponsor to deliver a portfolio model to the Program Sponsor. In Model Delivery programs, the Firm does not exercise investment discretion or trade the account. In Model Delivery arrangements, the Program Sponsor is responsible for determining the timing of transactions, execution venue, and other trade execution decisions. Further, Program Sponsors may accept individualized client investment guidelines and restrictions on the management of the account.

### Assets Under Management

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As of December 31, 2024, Fairfax manages approximately \$151,538,863.90 in client assets on a discretionary basis.

## Item 5 – Fees & Compensation

**Client Agreements:** Fairfax enters into a written client investment advisory agreement (“Agreement”) with each client for whom Fairfax acts as an investment adviser prior to rendering investment advisory services. Clients generally elect to have Fairfax’s advisory fees deducted from their custodial account. Both Fairfax’s Agreement and the custodial/ clearing agreement may authorize the Custodian to debit the account for the amount of Fairfax’s advisory fee and to directly remit that management fee to the Firm. Fairfax may also bill the client directly if stipulated in the Agreement. In the case of direct billing, payment is due upon receipt of Fairfax’s invoice. Fairfax will deduct fees and/or bill clients monthly or quarterly in advance. The fee for each period will be based upon the market value of the client’s assets on the last business day of that period.

In certain circumstances, Fairfax’s fees and account minimums are negotiable. The Firm charges a maximum investment management fee of 2.50% of assets under management. The amount of fee charged by the Firm is based on the amount of assets placed under Fairfax’s direct management, the amount of assets placed under Fairfax’s advisement, the complexity of the engagement, and the level and scope of the overall investment services to be rendered.

**Fees and Expenses by Third Parties:** All fees paid to the Firm for investment advisory services are separate and distinct from certain charges imposed directly by third parties. Such charges include, but are not limited to, custodial fees, charges imposed directly by an ETF in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, short-term redemption fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. See Item 12 – Brokerage Practices for more information.

Clients can purchase shares in an ETF directly, without the services of Fairfax. In that case, clients would not receive the services provided by Fairfax which are designed, among other things, to assist the client in determining which investments are most appropriate to each client’s financial condition and objectives.

## Item 6 – Performance Based Fees and Side by Side Management

Fairfax does not charge performance-based fees.

## Item 7 – Types of Clients

Fairfax clients are comprised primarily of individuals, high net worth individuals, pension and profit-sharing plans, business entities, corporations, and other registered investment advisors. The Firm generally requires a minimum account size of \$30,000 for investment advisory services. The Firm may waive this minimum at its discretion.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### Investment Strategies

The Firm employs a broad global tactical asset allocation investment strategy for accounts that it advises and sub-advises. The global tactical asset allocation may include global fixed income or equity assets in developed or developing markets such as Asia and may include hard asset classes such as commodity producers and physical commodities. Combinations of these asset classes are

available to suit a range of investors risk/return employs analytical processes designed to identify “persistent trends” in the various asset classes listed above. Fairfax’s objective is to provide reasonable investment participation when the trends are moving upwards and avoid prolonged participation when the trends are moving downward. This so called “trend following” involves the analysis of market data. The analysis does not produce results that are 100% reliable. In cases where the analysis

produces unintended results, investors may suffer market losses or fail to capture market gains.

### Methods of Analysis

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Fairfax utilizes a three-step investment process. Each step is based on the analysis of large quantities of market data and accordingly, includes the risks associated with such analysis producing results measured in terms of probability rather than certainty.

- Step one is the identification of “persistent trends” in the various asset classes that Fairfax utilizes in its investment strategies. There is no guarantee that the identification or analysis of such trend data will produce results that can identify persistent trends or that are reliable.
- Step two is a series of rules that define how each of Fairfax’s strategies gain the exposure necessary to comply with their investment objectives. Rules governing items such as diversification, asset mix and number of holdings are designed to help the strategies meet their investment objectives. contain inherent risks. As the rules are developed by the Adviser, there is no guarantee that the rules are accurate or that they can assist in meeting the objectives stated by the Adviser or the Client.
- Step three is securities selection. The asset mix is determined by the analysis of historical market data. Past historical market data is not predictive of future market activity and Investors face the risk of unpredictability if the future performance patterns are different than the historical patterns.

### Risk of Loss

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The investment strategies and asset classes used in advising or sub-advising Client accounts can result in losses to such Clients.

The number of securities held in any account can increase the costs to investors through *transaction costs*. If Fairfax determines that one or more of the strategies will be better served by an increase in the number of holdings, investors will experience increased costs associated with the increased number of transactions. Fairfax cannot assure investors that the presumed

investment benefit associated with an increase in the number of holdings will outweigh the increased transactional costs.

Investors are subject to similar *transactional risk* if the Firm’s investment process dictates frequent trading. Every transaction has a cost, and such costs will have a negative impact on the performance of the investment strategy. Investing in securities involves risk of loss that clients should be prepared to bear.

Investment performance will depend largely on the Adviser’s decisions as to strategic asset allocation and tactical adjustments made to the asset allocation. At times, the Adviser’s judgments as to the asset classes in which Clients should invest may prove to be wrong, as some asset classes may perform worse than others or the equity markets generally from time to time or for extended periods of time.

As a general matter, investing in securities involves a risk of loss of principal that investors should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Fairfax) will be profitable or equal any specific performance levels.

Inverse/Enhanced Market Strategies. Fairfax may utilize long and short strategies that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful and such strategies may enhance a Client’s losses. In light of these enhanced risks/rewards, a Client may direct the Firm, in writing, not to employ any or all such strategies for his or her accounts.

ETFs. An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the individual issuers of

the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Equities. Investments in equities are subject to many risk factors, including, but not limited to, risks arising from the issuer of the equity (company specific risk), overall economic

conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues (market risk). Equity prices can fluctuate dramatically and different types of equities can react differently to the risk factors described above. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Because of the inherent risk of loss associated with investing, the Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

## Item 9 – Disciplinary Information

This Item is not applicable to Fairfax because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## Item 10 – Other Financial Industry Activities and Affiliation

Mr. Dietrich, one of the current indirect owners of the Adviser, is a Registered Representative and/or Investment Adviser Representatives of Wedbush Securities Inc., an SEC registered broker-dealer and investment adviser and/or its affiliate Onward Advisors LLC, an SEC-registered investment adviser.

The Firm uses Wedbush and its affiliate Onward to provide compliance services that are material to the services Fairfax provides to its clients.

The Firm and its investment personnel will devote as much time as they believe necessary to help you achieve your investment objectives. They will not devote all or any specific portion of their working time to your affairs, and they may devote a portion of their time to other matters. Further, the Firm and its affiliates may organize or become involved with other clients or in other business ventures, including other investment-related businesses. Such other businesses and the clients of such businesses may compete for the time and attention of the Firm, its principal executive officers, and investment personnel, and possibly, for limited investment opportunities, all of which can create conflicts of interest.

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

## Code of Ethics

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The Firm has adopted a Code of Ethics expressing the Firm's commitment to ethical conduct. The Fairfax Code of Ethics describes the Firm's fiduciary duties and responsibilities to clients.

To supervise compliance with its Code of Ethics, the Firm requires that anyone associated with the Firm, who has access to information regarding client investment recommendations or transactions, must provide an initial and annual securities holding report and quarterly transaction reports to the Firm's Chief Compliance Officer.

The Firm requires that each associated person act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

The Firm's Code of Ethics also includes the Firm's policy prohibiting the use of material non-public information. Any individual who fails to abide by the firm's Code of Ethics may be subject to discipline. The Firm will provide a copy of its Code of Ethics to any client, or prospective client, upon request to the Chief Compliance Officer at the Firm's principal place of business.

Nothing in this Brochure or otherwise shall impose upon the Firm, or any Representative, any obligation to purchase or sell, or to recommend for purchase or sale, for any accounts any security which the Firm or any of its principals, officers, affiliates, employees, or Representatives purchase or sell for their own

accounts or for the accounts of other clients, unless not to engage in such activity would violate the fiduciary duty or the Firm.

## Participation or Interest in Client Transactions

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Individuals associated with the Firm may buy or sell securities for their personal accounts identical to or different than those recommended to clients. Subject to the Code of Ethics, individuals associated with the Firm are permitted to trade for their own accounts side-by-side with the Firm's clients in the same securities. When trading side-by-side with Firm clients, the employee is required to always place client orders first.

## Personal Trading

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The Firm, or any of its Representatives, may act as an investment adviser for others, may manage assets for others, may own investments in its or their own names, and/or may serve as an officer, consultant, partner, or stockholder of one or more investment partnerships or other businesses. All such activity is subject to compliance with the Firm's Code of Ethics and other written procedures. In doing so, the Firm or such persons may give advice, take actions, or refrain from taking actions differing from advice given, actions taken, or actions not taken for any client.

Representatives of the Firm are required to provide, at least annually, a report of brokerage accounts and holdings along with an acknowledgement that the employee will comply with the provisions of the Firm's Code of Ethics.

## Item 12 – Brokerage Practices

Prior to engaging Fairfax to provide investment management services, the client will be required to enter into an Agreement with Fairfax setting forth the terms and conditions under which Fairfax shall manage the client's assets and a separate custodial/clearing agreement with each designated Custodian.

The Agreement indicates that Fairfax will arrange for the execution of securities brokerage transactions through a broker-dealer that the Firm reasonably believes will provide "best execution." In seeking best execution, the

Firm considers a number of factors in selecting a broker-dealer to execute transactions (or a series of transactions). When recommending a broker-dealer, the Firm may consider the full range and quality of the broker-dealer's services, including, among other things: the quality of execution and related services, commissions and transaction costs, financial responsibility, experience, professionalism, responsiveness, the value of research it provides and any other factors it believes are important to the broker-dealer's ability to provide execution services consistent with the

fiduciary duties and the best interests of its clients. Fairfax does not select brokers-dealers based on whether the broker-dealer refers client to Fairfax.

If a client directs Fairfax to use a specific broker, Fairfax has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker-dealer. A client that directs Fairfax to use a specific broker-dealer may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Fairfax had discretion to select broker-dealers other than those that the client chooses.

In some cases, third-party or affiliate investment advisors for which Fairfax acts as Sub-Advisor direct Fairfax to use a specific Broker-Dealer for execution. An obligation to use a particular one because of contract or operational limitations may limit the ability to achieve best execution.

Trade Aggregation/Allocation. Whenever feasible, Fairfax will combine the orders of two or more clients to purchase or sell the same security. Orders of two or more clients will only be aggregated if Fairfax determines, on an individual client basis that the securities order is (i) in the best interests of each client participating in the order, (ii) consistent with the Firm's duty to obtain best execution, and (iii) consistent with the terms of the Agreement of each participating client. All clients included in an aggregated order will be treated equitably, including in the event that such aggregated order is not completely filled. The terms negotiated for the aggregated order will apply equally to each participating account. If an employee trade or trade by an affiliated account

is aggregated with a client trade, such client trade will be treated equally with the employee and/or affiliated account trade, each affiliated and non-affiliated participant in the trade will receive average execution and average commissions; and the securities purchased or sold will be allocated pro rata among all participating accounts.

Exceptions to Pro Rata Allocation

Partial Fills. If Fairfax is not able to completely fill an aggregated order for a security, the completed orders are generally allocated pro rata based on the order size set forth on the pre-allocation.

Random Allocations. In cases where client accounts would receive less than the desirable number of shares as judged by Fairfax, the aggregated trade may be allocated by the Firm to client accounts on a random basis. The Firm shall use a computer software program or other fair system to allocate such trades on a random basis. Client accounts that receive random allocations generally will not be eligible for the next random allocation.

Allocation Adjustments. In cases where Fairfax is unable to allocate security orders as intended within the pre-allocation evidenced on the Trade Ticket due to unforeseeable events, including, but not limited to account closings, client withdrawals, quickly moving market conditions which would cause intended allocations to cause accounts to become overdrawn, the Firm may make adjustments to its pre-allocation as follows:

- Newly funded accounts or those with recent contributions may receive an additional allocation;
- Accounts in need of rebalancing;
- In selling situations, late day withdrawal and liquidation requests.

In all instances of allocation adjustments, the reasons therefore will be documented.

## Item 13 – Review of Accounts

Paul Dietrich, the Firm's Chief Investment Strategist, will periodically review and monitor the client portfolio to determine, among other things, whether it is appropriately positioned and whether investment objectives and policies are being followed.

Significant market events affecting the prices of one or more securities in a Model Portfolio or changes in the investment objectives or guidelines of a particular client may trigger the review of such Model Portfolio on a more than periodic basis.

Clients are provided, at least quarterly, with confirmation notices and account statements directly from the Custodian that includes a summary of transactions and an inventory of holdings. Fairfax may also provide a written periodic report summarizing account activity and performance.

#### **Item 14 – Client Referrals and Other Compensation**

If a client is introduced to the Firm by a financial representative (i.e., solicitor), the Firm will generally pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Firm's investment advisory fee and shall not result in any additional charge to the client. The solicitor, at the time of the solicitation, shall disclose the nature of his or her solicitor relationship, and shall provide each prospective client with a copy of Fairfax's 2A Firm Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Firm and the solicitor, including the compensation to be received by the solicitor.

#### **Item 15 – Custody**

Fairfax has the ability to have its investment advisory fee debited by the Custodian directly from client accounts. Clients are provided, at least quarterly, with confirmation notices and account statements directly from the Custodian that includes a summary of transactions and an inventory of holdings. Clients should carefully review these statements. The Custodian does not verify the accuracy of the investment advisory fee calculation, so it is important that the client review amounts deducted from accounts maintained at the Custodian.

#### **Item 16 – Investment Discretion**

Clients can engage the Firm to provide investment advisory services on a discretionary basis. Discretionary authority will be explicitly authorized through the completion of the Agreement and the Clearing Agent's trading authorization or limited power of attorney forms, if applicable. Granting Fairfax discretionary authority gives the Firm full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name or found in the discretionary account.

Clients who engage Fairfax on a discretionary basis may, at any time, impose restrictions, in writing, on the Firm's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Firm's use of margin).

#### **Item 17 – Voting Client Securities**

Generally, Fairfax does not vote client proxies. The obligation to vote proxies and class actions shall at all times rest with the Client. Fairfax shall not be deemed to have voting authority solely as a result of providing investment advisory services to Clients. Clients will receive your proxies or other solicitations directly from the Custodian or transfer agent. Should Fairfax inadvertently receive proxy or class action information for a security held in a Client's account, Fairfax will make a best efforts attempt to forward such information on to the Client, but will not take any further action with respect to the voting of such proxy or class action. Upon termination of an Agreement, the Firm will continue to make a good faith and reasonable attempt to forward to the affected Client any proxy or class action information it may inadvertently receive. The issuing company is generally the best source for any questions about voting proxies, but Client may always contact the Firm with any questions and we will make a good faith effort to get you in contact with the appropriate resources.

#### **Item 18 – Financial Information**

This item is not applicable to Fairfax.