



Your Trusted Financial Advisor<sup>SM</sup>  
COMPASS CAPITAL CORPORATION  
Registered Investment Advisor

# **CODE OF BUSINESS CONDUCT**

**and**

# **ETHICS**

## TABLE OF CONTENTS

<b>MESSAGE FROM THE CEO .....</b>	<b>1</b>
1. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS.....	2
2. ACCESS PERSON.....	2
3. REPORTING .....	3
4. RECORD KEEPING .....	3
5. PREAPPROVAL OF CERTAIN INVESTMENTS.....	3
6. CONFLICTS OF INTEREST.....	3
7. INSIDER TRADING.....	4
8. COMPETITION AND FAIR DEALING .....	5
9. DISCRIMINATION AND HARASSMENT .....	5
10. HEALTH AND SAFETY.....	6
11. CONFIDENTIALITY.....	7
12. PROTECTION AND PROPER USE OF COMPANY ASSETS.....	7
13. SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH FINANCIAL REPORTING RESPONSIBILITIES .....	7
14. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR .....	8
15. COMPLIANCE PROCEDURES.....	9
16. NO RIGHTS CREATED .....	10
APPENDIX I .....	12
Section 275.204A-1 Investment Adviser Codes of Ethics Regulations .....	12

## MESSAGE FROM THE CEO

Compass Capital Corporation (Compass) is committed to promoting integrity and maintaining the highest standard of business conduct in all of its activities. Our business success is dependent on trusting relationships, which are built on this foundation of integrity. This Code of Business Conduct and Ethics (Code) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, officers and directors of the Company. Read the Code carefully and make sure that you understand it, the consequences of non-compliance, and the Code's importance to the success of the Company. The Code should also be provided to and followed by the Company's agents and representatives and employees.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If the Code conflicts with the Company's Employee Manual or any Compliance Manual, you must comply with the Code. If you have any questions about these conflicts, you should ask our supervisor how to handle the situation. Because our business depends on the reputation of all of us for integrity and principled business conduct, in some instances, the policies referenced in this Code go beyond the requirements of the law.

Subject to applicable law, those who violate the standards in this Code will be subject to disciplinary action. *If you are in a situation that you believe may violate or lead to a violation of this Code, or if you are in doubt about the best course of action in a particular situation, follow the guidelines described in Section 15 of this Code.*

Each of us is responsible for knowing and understanding the policies and guidelines contained in the following pages. If you have questions, ask them; if you have ethical concerns, raise them. Our conduct should reflect Compass's values, demonstrate ethical leadership, and promote a work environment that upholds Compass's reputation for integrity, ethical conduct and trust.

Sincerely,



Timothy F. Shanahan  
President and Chief Compliance Officer

## 1. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

The Company is subject to laws and regulations of the securities industry. Violation of governing laws and regulations is unethical and subjects both the individual involved and the Company to significant risk of fines, penalties and damaged reputation.

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know every law that is applicable to the Company, it is important to be familiar with those laws that apply to our areas of responsibility and to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

The Company holds information and training sessions to promote compliance with laws, rules, and regulations, including insider-trading laws.

Compass as a SEC-registered investment adviser under Rule 204A-1 must adopt a **code of ethics** that does the following:

- Sets forth a standard of business conduct required of all employees that, at a minimum, reflects the adviser's fiduciary obligations and requires compliance with the federal securities laws
- Requires an our "access persons" to report their personal securities transactions and holdings on an initial and ongoing basis
- Requires an our "access persons" to obtain the firm's approval before investing in an initial public offering or private placement
- Requires Compass to maintain and enforce the code of ethics, including reviewing the personal trading reports to identify improper trades or patterns of trading and promptly reporting of any violations
- Requires us to provide a copy of the code of ethics to all employees and obtain each employee's written acknowledgement of receipt.

Compass also will amend its Form ADV-Part II to describe our code of ethics and state that, upon request, we will furnish clients with a copy.

## 2. ACCESS PERSON

An "access person" is any director, officer, or partner of Compass, plus any employee who:

- Has access to nonpublic information regarding clients' securities transactions
- Is involved in making securities recommendations to clients
- Has access to securities recommendations that are not public
- Has access to nonpublic information regarding the securities holdings of affiliated mutual funds.

The SEC considers these individuals to be access persons because they are in a position to exploit information about client securities transactions or holdings.

### **3. REPORTING**

The new rule requires that each access person submit an initial report of all of their securities holdings and an annual holdings report after that. In addition, access persons must submit quarterly reports of all personal securities transactions. The rule also contains several exceptions to the reporting requirements for certain types of transactions (e.g. pursuant to an automatic investment plan) and certain types of securities (e.g. money market funds). Compass will accept regular monthly copies of all brokerage statements and confirms as compliance with this rule. Note that a "household rule" is in effect so that the reporting requirement also applies to anyone in your bloodline living at your address (spouses, children, parents).

### **4. RECORD KEEPING**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's accounting policies and related system of internal controls.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. Because e-mail provides immediacy and wide distribution, employees should thoughtfully review their messages prior to sending. Be especially careful with messages composed in an emotional state or that attempt to convey humor. This applies equally to internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, if you learn of a subpoena or a pending, imminent or contemplated litigation or government investigation, you should immediately contact the Compliance Department. You must retain and preserve all records that may be responsive to the subpoena or relevant to the litigation, or that may pertain to the investigation until you are advised by the Compliance Department how to proceed.

### **5. PREAPPROVAL OF CERTAIN INVESTMENTS**

We require our access persons to obtain our written approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a private placement.

### **6. CONFLICTS OF INTEREST**

Employees, officers and directors are expected to make or participate in business decisions and actions on behalf of the Company based on the best interests of the Company, and not based on personal relationships or benefits. Conflicts of interest can compromise our business ethics. Employees are expected to apply sound judgment and to ethically handle conflicts of interest with the Company. A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company.

A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, exploit the relationship with the Company for personal gain.

Employees and officers should not be employed by, nor serve in any capacity with, any company that competes with Compass. Without prior written approval from a supervising principal, you may not do business with, or be employed by, serve as a director of, or represent a company or anyone else. If you are an officer or employee of Compass, you may not accept a directorship of another corporation (other than a subsidiary corporation or affiliated entity) unless approval has been obtained from a supervising principal.

Employees and officers may not own an interest in a company that competes or does business with Compass without the prior written approval of a supervising principal. However, it is not considered a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, clients or suppliers that are listed on a national or international securities exchange so long as the total value of the investment is less than 2% of the outstanding stock of the corporation and the amount is not so significant that it would affect our business judgment on behalf of Compass.

Employees are expected to disclose to the Company any situations that may involve conflicts of interest affecting them personally or affecting other employees or those with whom we do business. After full disclosure, approval of conduct or transactions that create, or appear to create, a conflict of interest may be made by prior written permission from a supervising principal, which may be rescinded at any time.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management a supervising principal. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 15 of this Code.

## **7. INSIDER TRADING**

Federal law and Company policy prohibit employees and directors, directly or indirectly through their families or others, from purchasing or selling the stock of publicly held companies on the basis of material, non-public information. Violations of insider trading laws may be punishable by fines and/or imprisonment under applicable laws.

Material, information is any information, which could reasonably be expected to affect the price of a stock. If you are considering buying or selling a stock because of inside information that you possess, you should assume that the information is material. It is also important to keep in mind that if any trade you make becomes the subject of an investigation by the government, the trade will be viewed after-the-fact with the benefit

of hindsight. Consequently, you should always carefully consider how our trades would look from this perspective.

Information is considered to be non-public unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed, and adequate time must have passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and the public. A delay of one business day is generally considered a sufficient period for routine information to be absorbed by the market, although a longer period of delay might be considered appropriate in more complex decisions.

Federal law and Company policy also prohibit the employee or director from "tipping" family or friends regarding material, non-public information that the employee or director learns about any other publicly traded company in the course of employment. The same penalties apply, regardless of whether the employee or director derives any benefit from the trade. Employees and directors should be careful to avoid discussing sensitive Company information in any place where others may hear such information.

## **8. COMPETITION AND FAIR DEALING**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of, and deal fairly with, the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No business-related gift or entertainment should ever be offered, given, provided or accepted by any Company employee, officer or director, or members of their family from a customer or supplier unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts which you have any concerns over or which you question its purpose.

## **9. DISCRIMINATION AND HARASSMENT**

It is the Company's policy to ensure equal treatment for all employees and applicants, regardless of race, religion, color, gender, age, marital status, national origin, sexual orientation, citizenship, Vietnam-era or disabled veteran status, or disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation), or any other basis prohibited by law in recruiting,

hiring, placement, promotion or any other condition of employment. All Company activities, including, but not limited to, recruiting, hiring, training, transfers, promotions and benefits are based solely on individual merit.

It is Company policy to provide a workplace free from tensions involving matters that do not relate to the Company's business. In particular, an atmosphere of tension created by ethnic, racial, sexual or religious remarks, unwelcome sexual advances, or requests for sexual favors, will not be tolerated.

Harassment of employees, applicants, customers, contractors or suppliers by other employees is a violation of Company policy. Harassment includes, without limitation, verbal harassment (epithets, derogatory statements, slurs, etc.), physical harassment (hitting, pushing or other aggressive physical contact) and visual harassment (posters, cartoons, drawings, etc.).

Harassment may be unlawful and is prohibited whether it occurs in the workplace, at customer or vendor sites, or at other employment-related events or activities. However, the objectionable conduct need not be unlawful to violate Company policy. Company policy prohibits all inappropriate harassing conduct, whether or not the conduct is so severe as to be considered a violation of law.

Unlawful sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature, (1) when submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of employment or is used as a basis for employment decisions; or (2) when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or sexually offensive work environment.

Employees who observe, learn of, or are subjected to harassment, are responsible immediately to report the conduct to their supervisor, or any other manager with whom they feel comfortable for prompt investigation. Investigations will be conducted in as discrete and as confidential a manner as is practicable.

Retaliation against individuals who report such violations of policy, or against those who provide information in an investigation of such violations, is also a violation of policy.

The Company will act promptly and vigorously to take corrective action and appropriate discipline with respect to any harassment or retaliation.

## **10. HEALTH AND SAFETY**

The Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated. See also our [Scent Free Policy](#) in our Employee manual.

## **11. CONFIDENTIALITY**

Employees must maintain the confidentiality of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the Compliance Department or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

## **12. PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees should endeavor to protect the Company's assets and ensure their efficient use. Except as specifically authorized by the Company, the Company's assets are to be used only for the legitimate business purposes of Compass Capital Corporation and its subsidiaries and only by authorized employees or their designees. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted. See also our [Electronic Use Policy](#).

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or criminal penalties.

## **13. SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH FINANCIAL REPORTING RESPONSIBILITIES**

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in all other public communications made by the Company. Depending on their position with the Company, employees may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Accounting and Finance Department (this includes all individuals within the Company and its subsidiaries who work on financial matters) bears a special

responsibility for promoting the integrity of the Company's financial statements. The Chief Executive Officer, Chief Financial Officer and Accounting and Finance Department personnel have a special role both to adhere to these principles themselves and also to promote a culture throughout the Company of the importance of full, fair, accurate, timely and understandable reporting of the Company's financial results and conditions.

Because of this special role, the Chief Executive Officer, the Chief Financial Officer and all members of the Accounting and Finance Department are bound by the following Financial Officer Code of Ethics, and by accepting the Code, each agrees that he or she will:

- **Act** with honesty and integrity, and ethically handle actual or apparent conflicts of interest in personal and professional relationships.
- **Comply** with and promote those Company standards, policies and procedures designed to generate full, fair, accurate, timely and understandable public disclosures in compliance with applicable laws and regulations.
- **Comply** with applicable laws, rules and regulations of federal, state, provincial and local governments, and other applicable rules and regulations of appropriate private and public regulatory agencies.
- **Act** in good faith, responsibly with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- **Respect** the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work shall not be used for personal advantage.
- **Share** knowledge and maintain skills important and relevant to stakeholder's needs.
- **Proactively** promote and be an example of ethical behavior as a responsible partner among peers in the work environment and the community.
- **Responsibly** use and control all assets and resources entrusted to you.
- **Promptly** report to the Company's Ethics Committee any conduct, without regard to materiality, that the individual believes to be a violation of law or business ethics or any provision of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Subject to applicable law, violations of this Financial Officer Code of Ethics, including failures to report violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment. If you suspect that a violation of the Financial Officer Code of Ethics has occurred, without regard to materiality, you must report the suspected violation in accordance with those procedures set forth in Section 15 of this Code.

#### **14. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR**

If you know of, or suspect, a violation of applicable laws or regulations, the Code, or the Company's related policies, you must immediately report that information to our

supervisor, any other manager or as set forth in Section 15 of this Code. No one will be subject to retaliation because of a good faith report of suspected misconduct. Employees are expected to cooperate fully in internal investigations of misconduct. All reported violations will be promptly investigated and treated confidentially to the extent possible, given the need to conduct an investigation. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on our own may compromise the integrity of an investigation and adversely affect both you and the Company.

## **15. COMPLIANCE PROCEDURES**

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

**Make sure you have all the facts.** In order to reach the right solutions, we must be as fully informed as possible.

**Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use our judgment and common sense; if something seems unethical or improper, it probably is.

**Clarify our responsibility and role.** In most situations, there is shared responsibility. Are our colleagues informed? It may help to get others involved and discuss the problem.

**Discuss the problem with your supervisor.** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

**Seek help from Company resources.** In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager or your Human Resources manager. You should talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation.

**Report suspected violations of law and Company policies.** You must report any suspected violations of law, this Code or other Company policies to our supervisor or any other manager. If you are not comfortable reporting to our supervisor or feel that it would be inappropriate to do so, you may also report suspected violations in one of the following ways:

- a. You may send written correspondence to any senior management. You may submit written correspondence anonymously.
- b. You may report suspected violations of law and Company policies in confidence and without fear of retaliation. If you request that your identity be kept secret, our anonymity will be protected to the maximum extent possible. **The Company does not permit retaliation of any kind against employees for good faith reports of suspected violations.**

Report complaints and concerns regarding accounting, internal accounting controls and auditing matters. It is the responsibility of each employee, officer and director to promptly report complaints or concerns regarding accounting, internal accounting controls and auditing matters (Accounting Issues), without regard to materiality. Reports may be made anonymously (except if done through our internal e-mail or a third party e-mail provider) and will be treated confidentially to the extent possible.

***No one will be subject to retaliation because of a good faith report of a complaint or concern regarding Accounting Issues.***

**Always ask first, act later:** If you are unsure of what to do in any situation, seek guidance before you act.

## **16. NO RIGHTS CREATED**

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of Compass's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, stockholder or any other person or entity.

**ACKNOWLEDGEMENT BY EMPLOYEE AND DIRECTOR**  
[To be signed upon joining company and on an annual basis]

To reaffirm your commitment to the principles in the Compass Capital Corporation Code of Business Conduct and Ethics, the Company requires you to complete the following acknowledgement.

I acknowledge that I have read the Code of Business Conduct and Ethics and understand and agree to abide by its requirements. If I have a concern about possible misconduct, I will raise the concern with the appropriate persons. I understand that the Code of Business Conduct and Ethics is not a contract guaranteeing employment or granting any special privileges.

Signature: \_\_\_\_\_  
Employee Signature

Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Director Signature

Date: \_\_\_\_\_

## APPENDIX I

### **Section 275.204A-1 Investment Adviser Codes of Ethics Regulations**

(a) **Adoption of code of ethics.** Compass as an investment adviser is registered with the Securities and Exchange Commission, must establish, maintain and enforce a written code of ethics effective January 2005 that, at a minimum, includes:

- (1) A standard (or standards) of business conduct that Compass requires of our supervised persons, which standards must reflect our fiduciary obligations and those of our supervised persons
- (2) Provisions requiring our supervised persons to comply with applicable federal securities laws
- (3) Provisions that require all of our access persons to report, and Compass to review, their personal securities transactions and holdings periodically as provided below
- (4) Provisions requiring supervised persons to report any violations of our code of ethics promptly to our chief compliance officer or, provided our chief compliance officer also receives reports of all violations, to other persons Compass designate in our code of ethics
- (5) Provisions requiring Compass to provide each of our supervised persons with a copy of our code of ethics and any amendments, and requiring our supervised persons to provide Compass with a written acknowledgment of their receipt of the code and any amendments.

(b) **Reporting requirements.**

(1) *Holdings reports.* The code of ethics must require our access persons to submit to our chief compliance officer or other persons Compass designate in our code of ethics a report of the access person's current securities holdings that meets the following requirements:

(i) *Content of holdings reports.* Each holdings report must contain, at a minimum:

- (A) The title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each reportable security in which the access person has any direct or indirect beneficial ownership
- (B) The name of any broker, dealer or bank with which the access person maintains an account in which any securities are held for the access person's direct or indirect benefit
- (C) The date the access person submits the report.

(ii) *Timing of holdings reports.* Our access persons must each submit a holdings report:

- (A) No later than 10 days after the person becomes an access person, and the information must be current as of a date no more than 45 days prior to the date the person becomes an access person.
- (B) At least once each 12-month period thereafter on a date Compass select, and the information must be current as of a date no more than 45 days prior to the date the report was submitted.

(2) *Transaction reports.* The code of ethics must require access persons to submit to our chief compliance officer or other persons Compass designate in our code of ethics quarterly securities transactions reports that meet the following requirements:

(i) *Content of transaction reports.* Each transaction report must contain, at a minimum, the following information about each transaction involving a reportable security in which the access person had, or as a result of the transaction acquired, any direct or indirect beneficial ownership:

(A) The date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security involved

(B) The nature of the transaction (*i.e.*, purchase, sale or any other type of acquisition or disposition)

(C) The price of the security at which the transaction was effected

(D) The name of the broker, dealer or bank with or through which the transaction was effected

(E) The date the access person submits the report.

(ii) *Timing of transaction reports.* Each access person must submit a transaction report no later than 30 days after the end of each calendar quarter, which report must cover, at a minimum, all transactions during the quarter.

(3) *Exceptions from reporting requirements.* Our code of ethics need not require an access person to submit:

(i) Any report with respect to securities held in accounts over which the access person had no direct or indirect influence or control

(ii) A transaction report with respect to transactions effected pursuant to an automatic investment plan.

(iii) A transaction report if the report would duplicate information contained in broker trade confirmations or account statements that Compass hold in our records so long as Compass receive the confirmations or statements no later than 30 days after the end of the applicable calendar quarter.

**(c) Pre-approval of certain investments.** We require our access persons to obtain our approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a limited offering.

**(d) Definitions.** For the purpose of this section:

(1) *Access person* means:

(i) Any of our supervised persons:

(A) Who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or

(B) Who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

(ii) If providing investment advice is our primary business, all of our directors, officers and partners are presumed to be access persons.

(2) *Automatic investment plan* means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in

accordance with a predetermined schedule and allocation. An automatic investment plan includes a dividend reinvestment plan.

- (3) *Beneficial ownership* is interpreted in the same manner as it would be under § 240.16a-1(a)(2) of this chapter in determining whether a person has beneficial ownership of a security for purposes of section 16 of the Securities Exchange Act of 1934 (15 U.S.C. 78p) and the rules and regulations thereunder. Any report required by paragraph (b) of this section may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect beneficial ownership in the security to which the report relates.
- (4) *Federal securities laws* means the Securities Act of 1933 (15 U.S.C. 77a-aa), the Securities Exchange Act of 1934 (15 U.S.C. 78a — mm), the Sarbanes-Oxley Act of 2002 (Pub. L. 107-204, 116 Stat. 745 (2002)), the Investment Company Act of 1940 (15 U.S.C. 80a), the Investment Advisers Act of 1940 (15 U.S.C. 80b), Title V of the Gramm-Leach-Bliley Act (Pub. L. No. 106-102, 113 Stat. 1338 (1999), any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act (31 U.S.C. 5311 — 5314; 5316 — 5332) as it applies to funds and investment advisers, and any rules adopted thereunder by the Commission or the Department of the Treasury.
- (5) *Fund* means an investment company registered under the Investment Company Act.
- (6) *Initial public offering* means an offering of securities registered under the Securities Act of 1933 (15 U.S.C. 77a), the issuer of which, immediately before the registration, was not subject to the reporting requirements of sections 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)).
- (7) *Limited offering* means an offering that is exempt from registration under the Securities Act of 1933 pursuant to section 4(2) or section 4(6) (15 U.S.C. 77d(2) or 77d(6)) or pursuant to §§ 230.504, 230.505, or 230.506 of this chapter.
- (8) *Purchase or sale of a security* includes, among other things, the writing of an option to purchase or sell a security.
- (9) *Reportable fund* means:
- (i) Any fund for which you serve as an investment adviser as defined in section 2(a)(20) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(20)) (*i.e.*, in most cases you must be approved by the fund's board of directors before you can serve); or
  - (iii) Any fund whose investment adviser or principal underwriter controls you, is controlled by you, or is under common control with you. For purposes of this section, *control* has the same meaning as it does in section 2(a)(9) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(9)).
- (10) *Reportable security* means a security as defined in section 202(a)(18) of the Act (15 U.S.C. 80b-2(a)(18)), except that it does not include:
- (i) Direct obligations of the Government of the United States;

- (ii) Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;
- (iii) Shares issued by money market funds;
- (iv) Shares issued by open-end funds other than reportable funds; and
- (v) Shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are reportable funds.