



**NorthCrest Asset Management LLC**

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**FORM ADV | PART 2 DISCLOSURE BROCHURE**

JULY 2021

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This brochure provides information about the qualifications and business practices of NorthCrest Asset Management LLC ("NorthCrest"). If you have any questions about the contents of this brochure, please contact us at 763-417-1700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about NorthCrest is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any references to NorthCrest as a *registered* investment adviser do not imply a certain level of skill or training.

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## ITEM 2. MATERIAL CHANGES

The following material changes have been incorporated in this brochure as compared to the information contained in its initial filing, dated April 14, 2021:

- ▲ The following new strategies have been added under Item 5: Private Client Equity, Private Client Growth, Private Client Enhanced Balanced, Private Client Balanced, Tax-Exempt Municipal Bonds, Tax-Exempt Municipal Bonds (CA), Short Term Fixed Income, Intermediate Fixed Income, Full Maturity Fixed Income, Dividend Portfolio, and Capital Appreciation.

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#### ITEM 4. ADVISORY BUSINESS

NorthCrest Asset Management LLC (referred to in the first person or as “**NorthCrest**” throughout this Brochure), is a Minnesota limited liability company and began operations in 2021 as an investment adviser registered with the U.S. Securities and Exchange Commission.

NorthCrest is a wholly owned subsidiary of Wealth Enhancement Group, LLC (“**WEG**”). In October 2019, private investment vehicles affiliated with TA Associates Management, L.P. (“**TA Associates**”) acquired an indirect majority interest in WEG. Further information about TA Associates (also a registered investment adviser) is set forth in its Form ADV filed with the U.S. Securities and Exchange Commission, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

NorthCrest primarily acts as sub-adviser to Wealth Enhancement Advisory Services, LLC (“**WEAS**”), a registered investment adviser separate from but affiliated with NorthCrest through common ownership under WEG, to provide investment strategies for the benefit of its clients (collectively, “**Sub-Account Clients**”).

#### Investment Management

Our primary goals are to provide investment strategies that may not otherwise be broadly available to the retail market and cost-efficient alternatives to strategies similar to options already available in the marketplace. In support of our goals, NorthCrest makes available to current and prospective Sub-Account Clients the historical track records of the performance of its various strategies.

Our services are furnished on a continuous basis, taking into account the individual needs of each client, including their individual objectives, time horizon(s), risk tolerance, and liquidity needs, as directed by WEAS. To implement our strategies, WEAS granted NorthCrest discretionary authority to invest the assets placed under its management pursuant to an authorization in the Master Services Agreement between each respective Sub-Account Client and WEAS allowing WEAS to delegate discretionary investment management services. Sub-Account Clients may request to impose reasonable restrictions on the management of their accounts by NorthCrest.

NorthCrest claims compliance with the Global Investment Performance Standards (“**GIPS**”) and prepares and presents information on the historical performance of its strategies in compliance with GIPS standards. Our GIPS disclosure presentations include important disclosure information relevant to the performance of our various strategies. We encourage you to reference the applicable GIPS disclosure information when reviewing the historical performance of NorthCrest strategies. To achieve GIPS compliance, performance must be measured on a firm-wide basis. Therefore, to allow WEAS Financial Advisors the freedom to create custom solutions for its clients, the strategies offered by NorthCrest are segregated in a registered entity separate from WEAS.

As of the date of this brochure, NorthCrest is in its initial development stages and does not manage any assets.

#### ITEM 5. FEES AND COMPENSATION

NorthCrest charges a flat fee for each of its strategies. Our basic annual fees are detailed below. We may negotiate with our clients and agree to fees applicable to Sub-Account Clients that vary from this schedule.

<b>STRATEGY</b>	<b>MAX FEE</b>	<b>STRATEGY</b>	<b>MAX FEE</b>
Large-Cap Growth	1.0%	Tax-Exempt Municipal Bonds	1.0%
Large-Cap Value	1.0%	Tax-Exempt Municipal Bonds (CA)	1.0%
Mid-Cap Growth	1.0%	Short Term Fixed Income	1.0%
Small-Cap Growth	1.0%	Intermediate Fixed Income	1.0%
Private Client Equity	1.0%	Full Maturity Fixed Income	1.0%
Private Client Growth	1.0%	Dividend Portfolio	1.0%
Private Client Enhanced Balanced	1.0%	Capital Appreciation	1.0%
Private Client Balanced	1.0%		

Fees are billed quarterly or monthly in arrears or advance to align with Sub-Account Clients' billing cycles based on the market value of the account on the last day of the billing period, and may be adjusted for deposits to or withdrawals from the account during the billing period. Fees are generally deducted directly from the accounts of Sub-Account Clients by WEAS in connection with its standard billing practices unless other mutually agreed upon arrangements have been made.

Fees will be assessed pro rata based on the number of days services were provided in the applicable billing period in the event an investment management contract is executed at any time other than the first day of a billing period or if terminated at any time other than the last day of a billing period.

NorthCrest, from time to time, may invest or recommend investment of client assets in unaffiliated investment companies, such as mutual funds or exchange-traded funds, that charge fees and expenses (as described in each such investment company's prospectus). These investments are included in the client assets under management for the purpose of computing NorthCrest's fee. As a consequence, the client incurs two management fees in connection with assets invested in such products: the internal fee paid to the adviser of the investment company and the fee paid to us for our services.

In addition to our advisory fees, unless other arrangements are made, Sub-Account Clients are responsible for all other fees and costs associated with executing securities transactions and maintaining custody of their assets. Such fees and costs include, but are not limited to, transaction or ticket charges, custodial fees, and other related expenses charged by custodians and imposed by broker-dealers. Please refer to the "Brokerage practices" section (Item 12) of this Form ADV for additional information.

#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Except insofar as they are part of a client's overall account value, NorthCrest does not charge or accept fees based on capital gains or capital appreciation of assets held in client accounts (also referred to as *performance-based fees*). If we did accept these types of fees, we would explain here the conflicts of interest that arise in connection with such arrangements.

#### **ITEM 7. TYPES OF CLIENTS**

NorthCrest primarily provides services to other registered investment advisers for the benefit of their Sub-Account Clients.

#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

NorthCrest's investment strategy is to build broadly diversified, low turnover, risk-managed portfolios that will generate consistent excess returns over time. We implement an active, bottom-up investment process that is efficient, systematic, and scalable.

##### **Quantitative Screening Models**

Underlying our securities analysis process are four multi-factor valuation screening models which evaluate security prices relative to company financial metrics and generates a valuation ranking for each security in the universe. Since not all factors add value all the time, combining them into a portfolio of diversified factors contributes to more consistent excess return. We use the same factors, but with different weights, across different screening models for the various institutional and private client strategies that we offer.

##### **Fundamental Analysis**

Equally important is fundamental analysis, which provides insight into the relevance and accuracy of the factor data in the valuation model. We build a mosaic of information, evaluating such attributes as company products and markets, business drivers and risk factors, industry trends, and the macroeconomic environment. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

## Process

We incorporate the results of our securities analysis in an optimization process to construct portfolios. We have a strong preference for holding the most attractively valued securities (to generate incremental return) offset by a moderate preference for conforming to the structural characteristics of the benchmark (to manage risk).

Diversification is another important risk management tool. We diversify the factors in our valuation models, we diversify the portfolio across economic sectors and we limit stock-specific risk by holding 60 to 120 positions based on portfolio size. Risk control is further enhanced by repeating the structured analytical process regularly to ensure that timely information is reflected in the valuation ranking and fundamental analysis, and that the portfolios remain well diversified with the desired risk characteristics.

We generally purchase securities when our valuation screening models and fundamental analysis indicate it is favorable to do so, or when we determine they will contribute to portfolio diversification and/or risk reduction (even if other securities appear more attractive based on other qualitative or quantitative factors). We generally sell out of positions or reduce holdings when particular securities or sector weights appear to have become overly concentrated, when other factors, such as fundamental analysis, indicate that the holding has become less attractive, and to raise funds to increase positions in other securities or sectors.

## Additional Information

NorthCrest uses information delivered and processed electronically from such sources as Factset Systems, Vestek Systems, Thomson One, Compustat, I/B/E/S, Russell, and Bloomberg.

NorthCrest does not recommend the use of margin transactions and option writing in its investment strategies. However, a Sub-Account Client may at their discretion use margin in his/her account so that additional funds are available to NorthCrest to invest under its investment strategy.

All investments in securities, whether in stocks, fixed-income securities, or other investment vehicles, involve risk of loss. We encourage prospective clients to carefully review the information provided before engaging the services of NorthCrest. Additional resources related to the risks of investing can be found at the website of the Securities and Exchange Commission at <http://www.sec.gov>.

## ITEM 9. DISCIPLINARY INFORMATION

There have been no legal or disciplinary events involving NorthCrest or our management team that are material to a client or prospective client's evaluation of our advisory business or the integrity of our management.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither NorthCrest nor any of its management personnel are registered with a futures commission merchant, commodity pool operator, or commodity trading advisor.

NorthCrest and its management personnel do not have material arrangements with a related person that is: (1) a municipal securities dealer, government securities dealer or broker; (2) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); (3) registered security-based swap dealer or participant; (4) a futures commission merchant, commodity pool operator, or commodity trading advisor; (5) a banking or thrift institution; (6) an accountant or accounting firm; (7) a lawyer or law firm; (8) a pension consultant; (9) a real estate broker or dealer; or (10) a sponsor or syndicator of limited partnerships.

## Relationship with Affiliated Registered Investment Adviser

As mentioned above, NorthCrest is affiliated with Wealth Enhancement Advisory Services, LLC (WEAS), a registered investment adviser. NorthCrest makes its services available to both affiliated and unaffiliated investment advisers. WEAS Financial Advisors face a conflict of interest in selecting or recommending NorthCrest to its clients and when recommending that its clients increase allocations to NorthCrest strategies.

WEAS Financial Advisors select sub-advisers, including NorthCrest, to manage all or a portion of their clients' accounts consistent with the fiduciary duties WEAS owes to its clients. Additional information about WEAS, including a copy of its Form ADV Part 2 Brochure, is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Relationship with Affiliated and Unaffiliated Broker-Dealers**

Certain members of NorthCrest's management team are Registered Representatives of LPL Financial LLC, Fort Mill, SC, a registered Broker-Dealer, Member FINRA and SIPC ("LPL Financial"). Clients are under no obligation to purchase or sell securities through LPL Financial.

NorthCrest is affiliated with Wealth Enhancement Brokerage Services, LLC, member FINRA/SIPC ("WEBS"), a limited use broker-dealer. WEBS does not hold any customer accounts or process any securities transactions.

## **Relationship with Affiliated Trust Company**

Wealth Enhancement Trust Services, LLC ("WETS") is a wholly owned subsidiary of WEG and South Dakota Chartered Trust Company. NorthCrest does not expect WETS to provide services directly to any of its clients. To the extent WETS provides services to any Sub-Account Clients, such services would be recommended or initiated by the Sub-Account Client's investment adviser based on the individual needs of the Sub-Account Client and not related to the services provided by NorthCrest.

## **Relationship with Affiliated Insurance Companies or Agencies**

Both WEG and American Benefits Planning Group, LLC ("ABPG"), a wholly owned subsidiary of WEG, are licensed insurance agencies. NorthCrest does not expect to provide services directly to any WEG or ABPG clients. To the extent WEG or NorthCrest provide services to any Sub-Account Clients, such services would be recommended or initiated by the Sub-Account Client's investment adviser based on the individual needs of the Sub-Account Client and not related to the services provided by NorthCrest.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics Summary and Offer**

Section 204A-1 of the Investment Advisers Act of 1940 requires all Investment Advisors to establish, maintain and enforce a Code of Ethics. NorthCrest has established a Code of Ethics that will apply to all of its supervised persons. An Investment Advisor is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an Investment Advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. NorthCrest has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for NorthCrest's Code of Ethics, which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. NorthCrest requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation, and annually, all supervised persons will sign an acknowledgment that they have read, understand and agree to comply with NorthCrest's Code of Ethics. NorthCrest has the responsibility to make sure that the interests of all clients are placed ahead of NorthCrest's or its supervised person's own investment interests. Full disclosure of all material facts and potential conflicts of interest will be provided to clients before any services are conducted. NorthCrest and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of NorthCrest's Code of Ethics. Clients may review the NorthCrest Code of Ethics in its entirety by written request.

### **Annual Review of Compliance Policies, Procedures, and Systems**

NorthCrest, per Securities and Exchange Commission guidelines, performs an annual review of its Code of Ethics, compliance policies and procedures, and systems to ensure that procedures, client interactions, Investment Management Department functions, compliance controls, and reporting systems are properly aligned and operating in a regulatory compliant manner.

### **Personnel Trading Policy**

From time to time, NorthCrest or one or more of its supervised persons may purchase or own the same securities and investments that NorthCrest and/or the client's NorthCrest Financial Advisor recommends to the client. The fact that NorthCrest supervised persons may have personal accounts is a conflict of interest due to the potential

that a NorthCrest Financial Advisor may devote more time to monitoring his/her personal accounts as opposed to spending that time on the review and monitor of client accounts. In addition, there is a potential that NorthCrest Financial Advisors may favor their personal accounts over client accounts. When the recommendation to the client involves individual stocks, stock options, bonds, and other general securities, there could be a conflict of interest with the client because the NorthCrest Financial Advisor may engage in practices such as front-running, scalping, and other activities that are potentially detrimental to clients.

NorthCrest has adopted policies and procedures to ensure that such conflicts are fully disclosed and that neither NorthCrest, its Financial Advisors nor supervised persons may trade ahead of, or otherwise against, the interest of clients. It is the policy of NorthCrest that the interests of client accounts are placed ahead of the interests of NorthCrest accounts and personal accounts of NorthCrest supervised persons.

At times the interests of NorthCrest or related persons' investment accounts may coincide with the interests of clients' accounts to the extent that a purchase or sale in the same security may benefit both a related person and a client. However, at no time will NorthCrest or any related person receive an added benefit or advantage over clients with respect to these transactions. In any case, NorthCrest will generally be "last in" and "last out" for the trading day.

Designed to prevent conflicts of interest between the financial interests of clients and the interests of NorthCrest's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for client accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary.

The foregoing policies and procedures are not applicable to: (1) transactions in any account for which neither NorthCrest nor its advisory affiliates has any direct or indirect influence or control; and (2) transactions in securities that are direct obligations of the U.S. government, bankers' acceptances, bank certificates of deposit, commercial paper, and high-quality, short-term debt instruments, including repurchase agreements or shares issued by registered open-end investment companies.

NorthCrest recognizes that some securities being considered for purchase or sale on behalf of its clients trade in sufficiently broad markets to be without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to NorthCrest's Code of Ethics.

NorthCrest has also established policies and procedures to ensure that its supervised persons control for conflicts of interest and comply with applicable provisions of The Insider Trading and Securities Fraud Enforcement Act of 1988 (ITSFEA). To avoid conflicts of interest with clients and to ensure compliance with ITSFEA, NorthCrest, among other things, does the following:

- Provides ongoing continuing education regarding avoiding conflicts of interest and complying with ITSFEA.
- Requires supervised persons to report quarterly securities trading in personal accounts for covered securities (i.e., individual stocks, bonds, ETFs).
- Prohibits supervised persons from executing securities transactions for clients or on their personal accounts based on information that is not available to the public upon reasonable inquiry.
- Informs clients that they are not required to purchase securities through NorthCrest or its Financial Advisors, although if they choose to purchase securities through their NorthCrest Financial Advisor, the transaction must be effected through a NorthCrest-approved trading platform.

## ITEM 12. BROKERAGE PRACTICES

### Brokerage Discretion

In exercising its discretionary authority, NorthCrest will normally determine (without prior consultation with the client or their underlying Sub-Account Clients on a transaction-by-transaction basis): (1) which securities are bought and sold to align a Sub-Account Client account with a particular NorthCrest strategy and (2) the total amount of such purchases and sales and whether transactions in multiple Sub-Account Client accounts should be combined and



traded as a “block” for purposes of seeking a more efficient transaction or better pro-rata price. NorthCrest will utilize brokers and custodians selected by its clients and Sub-Account Clients and will not generally recommend that a client use a particular broker or custodian. Trades for accounts for which a broker serves as custodian generally will be placed through that broker.

NorthCrest’s authority may be subject to conditions imposed by clients or their underlying Sub-Account Clients, such as, for example, limitations on owning specific securities or those of a certain industry or requirements that transactions be effected through specific brokers. The latter restriction may be conditioned by the client on the broker being competitive as to price and execution for each transaction, or may be subject to varying degrees of restrictions, such as an instruction to utilize the broker whether or not competitive or in situations where the specified levels of commissions are less favorable than might otherwise be attained by NorthCrest.

Clients limiting NorthCrest to a particular broker, including those who direct NorthCrest to use the custodian of the underlying Sub-Account Client’s account as broker, should consider whether, under that restriction, the commission expenses, execution, clearance and settlement capabilities, and whatever amount is regarded as allocable to custodian fees (if applicable) will be comparable to those otherwise obtainable by NorthCrest or its affiliates. NorthCrest may not negotiate fees with client-directed brokers; in such cases, fees must be negotiated directly by the client (or Sub-Account Client, as applicable).

When effecting a transaction in a particular security for more than one client or Sub-Account Client, NorthCrest will allocate transactions equitably in the manner prescribed in its internal policies and procedures. Portfolio managers generally combine trades in the same security across multiple accounts into a single block for those accounts with non-designated brokers and into a separate block(s) for those accounts where a particular broker serves as custodian. For a block trade, each client receives the average share price of the block transactions, however, Sub-Account Clients may incur different transaction costs on a per-share basis based on their particular arrangement with their broker. Clients and Sub-Account Clients who have separately designated a broker will not participate in the block transactions but will have transactions executed on an account-by-account basis, sometimes after the block order(s) has been placed. The share price paid or received for transactions may vary among clients (including Sub-Account Clients) that have directed use of a particular broker compared to those who have not.

### **ITEM 13. REVIEW OF ACCOUNTS**

Client and Sub-Account Client accounts are reviewed by the portfolio manager(s) responsible for the account on at least a quarterly, and often on a monthly or more frequent, basis. The reviews consider some or all of the following factors: portfolio holdings and performance, market performance, asset allocation, client guidelines, risk management and the outlook for the financial markets and for specific sectors and securities.

On a weekly or more frequent basis, the portfolio managers will review, in varying levels of detail, the equity securities held in client accounts as part of NorthCrest’s valuation process. Individual security price levels, price changes and company news for many of the equity securities held in client accounts are monitored daily.

Reports are sent to clients at least quarterly, including at minimum information on end-of-period holdings. Depending on client requirements, other information may include transactions, performance, realized gains/losses, and characteristics of the portfolio.

Additionally, clients will receive statements directly from their account custodian(s) on a monthly basis and can review their account holdings as well as all transactions made within the account via an on-line service made available to the client by the custodian.

### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

No one provides an economic benefit to NorthCrest for providing investment advice or other advisory services other than our clients (including indirectly through Sub-Account Clients). NorthCrest does not, directly or indirectly, compensate any one for client referrals. WEAS, an affiliate of NorthCrest, does have agreements with certain custodians and brokers regarding client referrals. Please refer to WEAS’ Form ADV Part 2 Brochure for additional information on these arrangements.

## **ITEM 15. CUSTODY**

NorthCrest does not maintain physical custody of any client assets. However, NorthCrest is deemed to have custody in situations where we are able to deduct advisory fees directly from clients' accounts. NorthCrest's clients (including Sub-Account Clients) may utilize several custodians, including Charles Schwab and Fidelity Investments, as well as other custodian banks. NorthCrest clients will receive a periodic statement directly from their account custodian. NorthCrest does not send its clients any additional account statements, however, Sub-Account Clients may receive statements or reports reflecting NorthCrest's performance that are prepared and delivered by NorthCrest's clients (the respective Sub-Account Clients' investment adviser). Sub-Account Clients are highly encouraged to carefully compare any reports or statements reflecting NorthCrest's performance they receive from anyone other than their account custodian against those received directly from their account custodian to confirm all account transactions, holdings, and values reported.

## **ITEM 16. INVESTMENT DISCRETION**

NorthCrest generally exercises discretionary authority over clients' accounts. NorthCrest supervises and directs the investment of each client account subject to the investment objectives and guidelines agreed upon between NorthCrest and the client, and to such limitations as the client may impose by notice in writing.

NorthCrest, as agent and attorney-in-fact with respect to the clients' account, when it deems appropriate, without prior consultation with Client, may (a) buy, sell, exchange, convert and otherwise trade in any amount of stocks, bonds and other securities including money market instruments, and (b) place orders for the execution of such securities transactions with or through such brokers, dealers or issuers as NorthCrest may select. NorthCrest will have sole discretion over the commission rates to be paid for such transactions and NorthCrest is not required to place orders with low commission brokers and dealers nor is NorthCrest required, when placing orders with mutual funds, to select no-load or low load funds.

## **ITEM 17. VOTING CLIENT SECURITIES**

Certain clients have authorized NorthCrest to vote proxies on behalf of Sub-Account Clients in their investment management agreement with us while others have directed NorthCrest to not vote proxies.

To help fulfill our duty to vote proxies in the best interests of clients who have authorized and directed to vote proxies as a fiduciary on their behalf, we engaged Glass Lewis & Co, an independent research firm serving institutional investors, for proxy research and voting recommendations. In making recommendations, Glass Lewis follows guidelines that are compliant with the fiduciary duty under ERISA that requires retirement plan sponsors to protect fund assets. NorthCrest believes these guidelines are equally relevant outside the confines of ERISA. NorthCrest has adopted Proxy Voting Policies and Procedures that detail our exact proxy guidelines and outline the systems and procedures we use to vote proxies and maintain records. NorthCrest believes that its proxy voting policies and procedures are designed to promote the best interest of its clients.

In cases where we are directed to not vote proxies, we will not take any actions or render any advice with respect to voting of proxies for such clients or Sub-Account Clients. In those instances, we arrange with custodian for all proxy-related materials to be sent to the client or Sub-Account Client directly.

Upon request, NorthCrest will provide clients with a copy of the Proxy Voting Policies and Procedures and/or a report of how it voted proxies.

## **ITEM 18. FINANCIAL INFORMATION**

No balance sheet is required as NorthCrest neither requires nor solicits clients to prepay advisory fees exceeding \$1,200 six months or more in advance. Because NorthCrest requires discretionary authority to manage client assets, it is required to disclose any financial condition that is likely to impair its ability to meet contractual commitments. As of the date of this brochure, NorthCrest is not, and has never been, the subject of a bankruptcy petition or proceeding and is not subject to a financial condition that would be reasonably likely to impair its ability to meet contractual commitments.

## PRIVACY OF CLIENT FINANCIAL INFORMATION

At NorthCrest Asset Management, LLC (“NorthCrest”), maintaining the trust and confidence of our clients is a high priority. That’s why we want you to understand how we protect your privacy as we collect and use your information in order to provide products and services that support your investment needs. We are strongly committed to fulfilling the trust that is the very foundation of your expectations. Therefore, we have adopted and adhere to the following policy regarding the privacy of our clients’ nonpublic personal information.

### 1. Nonpublic Personal Information That We Collect

We collect nonpublic personal information about our clients from some, or all, of the following sources:

- ❖ Information we receive from the completion of our new account form, fact-finding questionnaires and product applications;
- ❖ Investment transactions with us, our affiliates, and those product sponsors with whom we have selling agreements or other arrangements for the provision of services to clients;
- ❖ Consumer reporting agencies; and
- ❖ Affiliated and nonaffiliated product sponsors whose products are owned by our clients.

### 2. Use of Nonpublic Personal Information

We disclose, to the extent collected as defined above, nonpublic personal information to affiliated and nonaffiliated companies that provide contracted services in order to more effectively and efficiently service our clients. We ensure contractual restrictions on the affiliated and nonaffiliated companies use and disclosure of the nonpublic personal information we disclose. Affiliated companies are defined as companies related by common ownership or control. Nonaffiliated companies are defined as companies not related by common ownership or control.

Affiliated and nonaffiliated companies with whom we disclose nonpublic personal information include, but are not limited to:

- ❖ Companies affiliated with NorthCrest;
- ❖ Mutual fund companies, insurance companies and other product sponsors to effect purchases and sales and allow for the servicing of client accounts;
- ❖ The broker-dealer through whom we execute securities transactions;
- ❖ Clearing agencies through whom we clear and settle securities transactions;
- ❖ Third-party investment advisory firms with whom we have relationships for the management of client advisory accounts;
- ❖ Broker-dealer firms having regulatory requirements to supervise certain activities of representatives who are also registered with a broker-dealer;
- ❖ Banks and other financial institutions with whom we have arrangements for the marketing and sale of our products and services; and
- ❖ Companies that provide services to us that assist with the maintenance of required books and records or to facilitate mailings on our behalf.

We do not disclose your information to nonaffiliated companies who intend to market their products to you.

### 3. Protection of Nonpublic Personal Information

We have established information security practices and procedures to prevent unauthorized use or access to nonpublic personal information. Access to nonpublic personal information is made available to our employees who process or service transactions and fulfill compliance, legal or audit functions. Our computer systems utilize password protection to prevent access by unauthorized personnel, and we employ other physical, electronic and procedural safeguards to ensure the protection of nonpublic personal information in accordance with state and federal privacy regulations.

#### **4. “Opt-Out” of Nonaffiliated Third-Party Disclosures**

If you do not want us to share your nonpublic personal information (except as permitted by law) with a nonaffiliated company, including a Registered Representative servicing your account should they leave our firm, you may “Opt-Out” of nonaffiliated company disclosures.

Note: If you became a client of your NorthCrest Financial Advisor before the time your NorthCrest Financial Advisor joined NorthCrest or one of its affiliates, and your NorthCrest Financial Advisor elects to leave our firm and join another registered broker-dealer and/or investment advisory firm, we may allow your NorthCrest Financial Advisor to take your confidential information with them to the new firm, subject to the requirements or limitations of applicable law. If you do not want NorthCrest to share your nonpublic personal information with your NorthCrest Financial Advisor in the event your NorthCrest Financial Advisor departs our firm, please send a Letter of Instruction to the address listed below. If you have previously notified NorthCrest of your decision to “Opt-Out,” then no further action is required on your part. The Letter of Instruction requires the following information: your name, address, city, state, ZIP code, daytime phone, cell phone number, and your account number(s), along with your signature. In addition, there are some states that require you as a client to “Opt-In” before we will share information with a departing NorthCrest Financial Advisor. If you live in one of these states, we will ask you to sign an acknowledgment before we share any of your nonpublic personal information.

#### **5. Contact Us**

If you have any questions about our Privacy Policy, or if you have any questions concerning your account, please contact us at 800-492-1222. If you prefer, you may write to us at NorthCrest Asset Management, LLC, Attn: Compliance, 505 North Highway 169, Suite 900, Plymouth, MN 55441. We appreciate your business and look forward to serving your financial services needs.