Neville, Rodie & Shaw, Inc.

200 Madison Avenue
New York, NY 10016
(212) 725-1440

www.nevrodie.com

Date: September 1, 2026

This Brochure provides information about the qualifications and business practices of Neville, Rodie & Shaw, Inc. ("NRS" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (212) 725-1440. 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.

Neville, Rodie & Shaw, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Neville, Rodie & Shaw, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

NRS updates this Form ADV Brochure on an annual basis, and when there are certain material changes. This Item 2 only discusses specific material changes made to the Brochure since the last Annual Updating Amendment, which was dated January 7, 2026.

The following material changes are included in this Brochure:

- We have amended Items 4, 12, and 16 to disclose that NRS may recommend the use of options-based collar strategies for certain clients with concentrated positions in individual equity securities, as well as other risk mitigation strategies where appropriate for certain clients. NRS engages an unaffiliated registered investment adviser to manage a designated portion of a client's account using such strategies.

- We have amended Item 5 to disclose that clients participating in these strategies may incur an additional subadvisory fee in the range of 0.50% to 0.85% annually on assets allocated to the strategy. This subadvisory fee is in addition to our Firm's investment management fee, as well as applicable transaction and other costs.

- We have revised Item 8 to describe the material risks associated with collar and options strategies and the risks associated with the use of a third-party subadviser.

Currently, our Brochure may be requested by contacting Frank J. Anastasi, Chief Compliance Officer at (212) 725-1440. Our Brochure is also available on our web site www.nevrodie.com, also free of charge.

Item 3 -Table of Contents

Item 4 – Advisory Business

Neville, Rodie & Shaw Inc. ("NRS" or "Firm") was originally founded in 1933 and is an investment counseling firm managing long-only separately managed accounts for a variety of clients. NRS is wholly owned by its active employees, and there are currently six shareholders. (See www.adviserinfo.sec.gov for NRS' Form ADV Part 1, Schedule A for a list of all individual shareholder names).

As of October 31, 2025, NRS managed $1,961,301,058 on a discretionary basis and $41,534,321 on a nondiscretionary basis for a total Regulatory Assets Under Management of $2,002,835,379.

NRS abides by the fiduciary standards, which comprises a duty of care and a duty of loyalty to its clients. NRS provides continuous investment advice to clients and their families, tailored to their individual and unique needs. Through a series of personal discussions and meetings in which goals, objectives, and risk tolerances are established, NRS will determine an appropriate portfolio management strategy. NRS will manage each client's account based on the client's financial situation and investment objectives, and any reasonable investment restrictions the client may impose.

Client portfolios are managed on a discretionary or non-discretionary basis. Most portfolios are managed with a balanced investment approach using common stocks, fixed income, cash equivalent issues and in some instances, mutual fund shares (including money market funds) or exchange-traded funds (ETF's) to obtain diversification in certain client accounts.

Portfolios are managed with specific reference to client financial considerations, including client preferences, restrictions, and tax gains and losses. NRS's portfolio managers hold weekly investment committee meetings at which the managers discuss securities held in client accounts, including reviewing the firm's watch list. These meetings periodically result in firm-wide decisions to divest from particular securities or limit holdings to certain thresholds. Decisions may result in firm-wide block trading of portfolio accounts, consistent with the firm's allocation policies. Typically, however, buy and sell decisions within client accounts are implemented separately by portfolio managers, at times different from other managers. This investment process may result in client accounts receiving performance at variance (higher or lower) with the performance of clients managed by other managers.

Concentrated Stock Risk Management and Use of Subadvisers

For certain clients, NRS may establish a separately managed account or designated account sleeve at the client's custodian that is managed on a discretionary basis by an unaffiliated subadviser using an options-based collar strategy. This risk management strategy is designed to reduce some of the downside risk associated with continuing to hold the concentrated position. Such strategies may be appropriate, for example, where a client has held a security for a significant period of time, has substantial unrealized capital appreciation in the position, and desires to reduce investment risk while continuing to own some or all of the underlying shares.

NRS has engaged, and may from time to time engage, an unaffiliated SEC-registered investment adviser to act as a subadviser with discretionary authority over a designated portion or sleeve of a client's account for this purpose. NRS currently makes available a concentrated-stock hedging strategy managed by the subadviser who is not affiliated with NRS.

Under the strategy, the subadviser may use listed options, including purchasing put options and selling call options against an individual stock position, commonly referred to as a collar. The objective of the strategy is to provide a degree of protection against declines in the underlying stock while permitting the client to continue holding the stock and receiving dividends. In exchange for this downside protection, the strategy generally limits some or all appreciation in the stock above the applicable call-option strike price.

NRS determines whether, and to what extent, use of the strategy is appropriate for a particular client, which assets will be allocated to the strategy, and the amount of the client's exposure to the strategy. The subadviser exercises discretionary investment authority over the designated sleeve and is responsible for implementing and managing the options positions within the parameters established for the client.

The strategy is not appropriate for every client or every concentrated position. Before recommending the strategy, NRS considers factors including the client's investment objectives, risk tolerance, time horizon, liquidity needs, tax considerations, cost basis and unrealized gain in the underlying security, size of the concentrated position, willingness to limit potential appreciation, and ability to bear the additional costs and risks associated with options transactions.

Item 5 – Fees and Compensation

Generally, NRS's investment management fees are calculated as a percentage of assets under management according to the following fee schedule:

Assets under management	**Annual Fee (%)**
First $5,000,000	1.00%
On the next $5,000,000	0.75%
On the next $15,000,000	0.50%
On the remainder of the balance	0.40%

Certain relationships may be charged a fixed or different fee schedule based on a percentage of assets under management, ranging from 0.20% to 1.45%.

Based on its operational history since 1933, NRS will have additional fee arrangements with legacy clients who initiated their relationship with NRS under fee schedules that have since been amended. Fees for certain accounts involving special holdings or inactive securities are modified by negotiation. Two or more accounts of an immediate family group can be combined for fee purposes.

Additional Information

All fees are subject to negotiation depending on client relationships, size, and servicing requirements.

<u>Fee Payment Information</u>

The specific manner in which fees are charged by NRS is established in a client's written agreement with NRS. NRS will generally bill its fees quarterly, semi-annually, or in limited circumstances, annually. Clients may also elect to be billed directly for fees or can authorize NRS to directly debit fees from client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days of account management. Generally, any prepaid fees for days on which NRS is no longer managing the account are returned to a client if the client terminates before the end of a billing period. Based on its operational history, NRS may have additional billing arrangements with clients that differ from those noted above.

Termination Provisions

A client agreement may be cancelled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Other Costs

NRS believes its fees are similar to those charged by many other investment counsel firms for similar services; however, comparable service may be available from other sources for lower fees.

NRS's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to NRS's fee, and NRS shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that NRS considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Subadvisory Fees for Concentrated Stock Risk Management

Clients who participate in the concentrated-stock risk management strategy described in Item 4 will incur an additional subadvisory fee payable to the subadviser. The annual subadvisory fee is in the range of 0.50% to 0.85% of the assets allocated to the strategy, subject to any applicable fee breakpoints or other arrangements.

The subadvisory fee is separate from and in addition to NRS's investment management fee described above. Accordingly, clients participating in the strategy will pay higher aggregate advisory fees than clients who do not participate in the strategy.

The subadvisory fee generally is calculated based upon the value of the underlying assets being hedged within the designated portion of the client's account and is payable quarterly.

The fee may be deducted directly from the client's account or otherwise paid as agreed between NRS, the subadviser, and the client.

Clients may also incur additional costs associated with implementation of the strategy, including option premiums, brokerage commissions, bid-ask spreads, exchange and regulatory fees, custodial charges, margin or financing costs where applicable, taxes, and other transaction expenses. These costs are separate from NRS's management fee and the subadviser’s subadvisory fee.

NRS does not receive any portion of the subadviser’s subadvisory fee.

Item 6 – Performance-Based Fees and Side-By-Side Management

NRS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged based on income or capital gains, or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

NRS provides investment management services to individuals, including high net worth individuals, trusts, charitable organizations, foundations, endowments, qualified retirement plans, and other corporations and institutions.

Conditions for Managing an Account

NRS generally requires a minimum account size of $1,000,000 for investment management services, to which exceptions are occasionally made for relatives and friends of existing clients.

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

Within the context of investment policy suited to client needs and objectives and to perceived economic conditions, the strategy generally emphasizes the selection, based on our analysis, of high quality, attractively valued common stocks bought to hold for the long-term, supplemented as deemed appropriate by bonds (convertible, tax-exempt or taxable), notes, preferred stocks, money market funds, mutual funds or ETFs.

For equity portions of a portfolio, NRS utilizes fundamental analysis. Fundamental analysis of potential common stock opportunities starts at the industry or company level. NRS believes it is essential to long-term investment success to not restrict the universe of equity opportunities. NRS is a strong adherent to the belief that rewarding investments can be found in a variety of geographic areas, diverse industry groups, and within all capitalization categories. Consistent with this doctrine, NRS believes that appropriate diversification among sectors and industries and a strong emphasis on such quantitative factors as balance sheet strength and free cash flow aid in limiting risk in an equity portfolio. Notwithstanding this diversification approach, there is a risk that securities in a particular sector are impacted by financial, economic, political, or other developments in that industry, which can negatively impact the value of accounts holding those securities compared to accounts without a concentration of those impacted securities. NRS emphasizes current valuations on a company-by-company basis in conjunction with prospective growth in earnings and dividends and the possibility of assets, such as new products or technologies, being under-recognized by others. Although each company is subject to the risk that a cyberattack impacting that particular company causes the value of that issuer's securities to decline, NRS believes that a diversified investment approach can mitigate cybersecurity risk.

Based on our experience, we believe that successful equity results are best achieved by focusing on a limited group of companies which can be given close and continuous attention. NRS's emphasis is on the leading companies in sectors having what we believe to be the best long-term growth prospects within the framework of economic, financial and societal conditions. In addition to sound balance sheet structures, earnings momentum and margin improvement are critical. NRS prefers management to have meaningful holdings in their companies to reflect their entrepreneurial spirit and a partnership with outside investors. Operating dynamics are of the utmost importance, but they must always be subjected to valuation disciplines appropriate to existing market conditions and the characteristics of specific industries and economies.

Finally, NRS believes it is essential to understand broad economic and fiscal trends when constructing an equity portfolio. Changes in monetary policy and tax and regulatory procedures will often have a meaningful impact on decisions relating to individual stock selection and total equity allocations; and changes in economic priorities and directives may result in differing sector opportunities and risks.

For fixed income portions of a portfolio, individual fixed income portfolio holdings may differ depending upon tax status or liquidity needs, our overall approach is based upon a common frame of reference. NRS does not view the fixed income sector as a primary vehicle for appreciation and embraces a largely risk averse approach. Holdings are structured and managed to provide a stream of income, dampen volatility in portfolio asset value, and provide liquidity.

To the extent the yield curve permits, NRS prefers a "laddered" maturity structure to avoid disruptive changes in the flow of income and to avoid the reinvestment risk resulting from an uneven pattern of maturities. With few exceptions, investments are largely within a ten-year maturity range to provide call protection and diminish volatility inherent with longer maturities.

Changes in the maturity structure and composition of the holdings are primarily made against the background of an anticipation of a meaningful change in the trend of interest rates. Forecasting this trend is the key determinant and is based upon an ongoing analysis of inflation expectations, Federal Reserve Policy and the overall level of economic activity domestically and abroad.

In appropriate accounts, NRS also seeks to take advantage of opportunities arising from spread differentials between industrials, utilities, financials, and US Governments as well as anomalies in maturity and quality rankings.

Short-term and margin trading is not encouraged, but if relative value or prospects change, short-term losses or profits may be realized upon occasion, especially in tax-exempt portfolios. Short-term losses or gains may also be realized in transactions designed to minimize client tax exposure.

Risk of Loss

Investing in securities involves the risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities.

The securities and instruments utilized by NRS are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. Securities markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market can react differently to these developments, and the value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole. Investing in foreign securities involves additional risks, such as currency fluctuations, periods of illiquidity, and price volatility.

Equity securities (common, convertible preferred stocks, and other securities whose values are tied to the price of stocks, such as rights, warrants, and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A market segment(s), such as large cap, mid cap or small cap stocks, or growth or value stocks, may underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies. Market prices of growth stocks are often more sensitive than other securities to earnings expectations.

The return of principal for the bond holdings is not guaranteed. Bond holdings are subject to interest rate fluctuations, inflation, and credit risks.

Mutual funds and ETFs are subject to the same risks associated with the underlying equity or bond holdings.

The risk of loss described herein should not be considered an exhaustive list of all the risks that clients should consider.

The following additional risks are applicable to the stock risk mitigation strategy noted above in Item 4.

Hedging Risks

Although certain investment strategies are intended, in part, to hedge the client portfolios and/or individual holdings, there is no guarantee that they will do so to the degree predicted by historical practice and theory. In fact, hedges could result in losses. The subadviser can enter into risk offsetting transactions in instruments with which the subadviser expects to hedge exposure to risk. If the value of the positions change in a direction or manner that subadviser has failed to protect against with hedging transactions or if the instruments used in the hedging transactions are not as "correlated" as anticipated, the result may be an imperfect hedge.

Illiquid Instruments

A portion of the strategies used by the subadviser can consist of securities and other financial instruments that are not actively and widely traded. Consequently, it may be relatively difficult for the subadviser to dispose of such investments rapidly and/or at favorable prices in connection with a client's withdrawal requests due to adverse market developments or other factors. Adverse market conditions can lead to a "liquidity crisis," i.e., the inability to sell many securities at expected prices. There can be no assurance that future market conditions will not result in similar liquidity crises.

Taxation of Options Trading Strategies

The tax treatment of options strategies can be complex. Outcomes depend on a client's overall tax situation, other trading activity outside of a client's account, other assets held and potential application of rules such as straddle provisions. Prospective clients ought to be aware that the information reported by brokers and custodians on standard IRS From 1099 is limited in scope and does not capture the potential adverse tax consequences of the staddle rules and constructive sale rules. Failure to properly report tax information, including a client's gains or losses relating to a subadviser's strategy, can result not only in underpayment penalties and interest but may also subject the taxpayer to additional IRS scrutiny or audits. Because tax consequences depend on each client's individual circumstances, outcomes may differ significantly between clients, even if trades are identical. The following discussion is a description of certain U.S federal income tax-related risks that may apply to an investor engaging in these subadvisory strategies but is not a fulsome explanation of all possible tax risks, tax considerations, or tax outcomes. NRS is not a tax or accounting firm and clients must consult their own tax professionals to determine actual tax consequences of subadvisory strategies.

Taxable Gains Recognition

Certain subadvisory strategies utilize options that may generate realized taxable losses over their term. However, it is possible for a client to recognize taxable gains, based on mark-to-market positions that are deemed sold each year during the term of such options and upon option expiry, particularly in an environment where interest rates increase rapidly. Further, whether any losses realized are available to offset realized gains in the current taxable year is subject to the rules discussed below.

Section 1256 Contracts

Listed options are generally treated as Section 1256 contracts under the Internal Revenue Code of 1986, as amended. Section 1256 contracts are marked-to-market at year end (e.g., treated as if they were sold at year end even if they are still being held), and gains or losses are treated as 60% long-term and 40% short-term capital gains or losses, regardless of holding period. Options that do not qualify as Section 1256 contracts will result in short-term or long-term capital gains or losses, depending on a client's holding period in the option.

Straddles

Offsetting positions held by a client involving certain derivative instruments that reduce the risk of loss, such as options, as well as a client's long and short positions in portfolio securities, may be considered to constitute "straddles" for U.S. federal income tax purposes.

In general, straddles are subject to certain rules that may affect the amount, character, and timing of a client's gains and losses with respect to the straddle positions by requiring, among other things, that: (i) any loss realized on the disposition of one position of a straddle may not be recognized to the extent that there are unrealized gains with respect to the other positions in the straddle; (ii) the applicable holding period in straddle positions may be reset if the position has not attained a long-term holding period and does not begin until the straddle no longer exists (possibly resulting in a gain being treated as short-term rather than as long-term capital gain); (iii) the losses recognized with respect to certain straddle positions that are part of a mixed straddle and are non-Section 1256 contracts be treated as 60% long-term and 40% short-term capital loss; (iv) losses recognized with respect to certain straddle positions that would otherwise constitute short-term capital losses be treated as long-term capital losses; and (v) the deduction of interest and carrying charges attributable to certain straddle positions may be deferred.

Certain subadvisory strategies may result in positions that are treated as part of a straddle and may potentially result in the adverse tax consequences described above. Further, certain subadvisory strategies that may not subject to the straddle rules on a stand-alone basis may nonetheless result in such adverse tax consequences to a client if such client holds additional positions outside of a subadvised portfolio that are unintentionally deemed to "offset" options positions that are used to implement the subadvisory strategies. The subadviser will not determine whether a client's options positions constitute a straddle, and clients are urged to consider with their tax advisors the consequences of their portfolios on a holistic basis.

Constructive Sales

Section 1259 of the Internal Revenue Code of 1986, as amended, constructive sale rules require a taxpayer that holds an "appreciated financial position" (such as stock) to recognize gain upon entering into certain specified transactions that are considered a "constructive sale" of such position. A client may realize unintended constructive sales if such client holds additional positions outside of a subadvised portfolio. Accordingly, clients are urged to consider with their tax advisors the consequences of their portfolios on a holistic basis.

Risks Associated with Tax Aware Strategies

Certain of the investment strategies offered through the subadviser contain a tax-conscious component designed to capture tax losses and/or dividend income taxed at favorable tax rates (each, a "Tax Aware Strategy"). Market conditions and future tax legislation may limit the subadviser's ability to execute a Tax Aware Strategy effectively, and there can be no guarantee that such Tax Aware Strategies will accomplish their intended effect. In all cases, the tax consequences of the subadviser's strategies is the responsibility of the applicable client and never the responsibility of the subadviser. Neither the subadviser nor NRS provide tax advice, nor make any representations as to the tax treatment of any client account or any securities within any client account. Clients should consult with and rely solely on their own tax advisors, who are familiar with the specifics of their situation, prior to entering into any transaction described herein. The subadviser's offering of a Tax Aware Strategy should not be construed as financial, legal, or tax advice. Clients seeking a Tax Aware Strategy must consult their own financial, legal, and tax advisors as to the tax consequences of such an investment strategy.

Short Box Spread Risk

A short box spread consists of a synthetic long position coupled with an offsetting synthetic short position through a combination of options contracts on a reference asset at the same expiration date. The combination of such options is intended to generate an upfront cash flow from the net premiums received, while the difference between the strike prices of the synthetic long and the synthetic short determines the owed expiration value (or value at maturity) of the short box spread. An important feature of the short box spread construction process is that it seeks to eliminate market risk tied to price movements associated with the underlying options' reference asset. Once the short box spread is initiated, its return from the initiation date through expiration is not expected to change due to price movements in the underlying options' reference assets. However, if one or more of the individual option positions that comprise a short box spread are modified or closed separately prior to the option contract's expiration, then the short box spread may no longer effectively eliminate risk tied to underlying reference asset's price movement and the return and characteristics related to the short box spread will change. Furthermore, the short box spread's value is derived in the market and is in part based on the time until the options comprising the short box spread expire and the prevailing market interest rates.

The subadviser's ability to effectively implement short box spreads for a client's account is dependent on the availability and willingness of other market participants to buy or sell short box spreads at competitive prices.

Structured Downside (Buffered) Protection Risk

There can be no guarantee that the subadviser will be successful in its strategy to provide downside protection against ETF or index losses if the ETF or index decreases in the investment period by an amount greater than the targeted downside protection. A client may lose its entire investment. The strategy seeks to deliver returns that match an ETF or index (but will be less than the ETF or index due to the cost of the options used by the subadviser), while limiting downside losses, over the investment period. If a client exits the strategy prior to the expiration of the options, the downside protection that the subadviser seeks to provide may not be available. The subadviser does not seek to provide principal protection and a client may experience significant losses on its investment, including the loss of its entire investment.

Risks Unique to Options

Several risks are unique to options trading that the client must be fully aware of before engaging the subadviser. Options involve additional risk and are not suitable for all investors. The following is a list of some specific common risks to options trading but it is by no means intended to be an exhaustive list and clients should consult with their Advisor and tax advisor before participating in a service offered by the subadviser. Please refer to the Options Clearing Corporation Publication: "The Characteristics & Risks of Standardized Options,"

(https://www.theocc.com/about/publications/publication-listing.jsp) for additional information.

Writing and buying options are speculative activities and entail investment exposures that are greater than their cost would suggest, meaning that a small investment in an option could have a substantial impact on performance that may result in losses exceeding the amounts invested.

The subadviser's use of call and put options can lead to losses because of adverse movements in the price or value of the underlying stock, index, or other asset, which may be magnified by certain features of the options. These risks are heightened when the subadviser uses options to enhance a client's return or as a substitute for a position or security. When selling a call or put option, a client will receive a premium; however, this premium may not be enough to offset a loss incurred by the client if the price of the underlying asset is above or below, respectively, the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller and will be affected by changes in the value or yield of the option's underlying asset, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the underlying asset and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying asset(s).

Assignment

Writing a call or put in a position can result in an assignment and involuntary transaction (i.e., "called away"), which cannot otherwise be avoided, upon an exercise of a call or put in the client account. In the case of a short call, an assignment can result in a forced sale of the underlying security being held as collateral for the options trading, whether the security is held long in the portfolio (covered) or not (uncovered). Being short a put can lead to a forced purchase of the underlying security for which additional capital may have to be contributed to the account by the accountholder (i.e., “margin call”). Such involuntary sale and purchase transaction may occur at inopportune market times, which could result in losses to an account.

Manage Call Away Risk

American-style options carry risk of assignment for the option seller, which means that the client may be required to sell (in the case of a short call option) or purchase (in the case of a short put option) the underlying security. For certain strategies, the subadviser may offer a “Manage Call Away Risk” feature which, if enabled, would inform the subadviser to track the likelihood of assignment around important calendar dates relating to the option and/or underlying security, such as ex-dividend dates and option expiration dates. In evaluating these factors and the probability of assignment, the subadviser may seek to purchase to close the option prior to maturity and reset the option at a new strike and tenor in an effort to avoid the underlying security from being sold or purchased (as described above). However, these efforts may not fully protect against the risk of assignment and the potential resulting taxable event for a client.

Accounts in which the subadviser is requested to manage call away risk may still experience shares sales at the subadviser’s sole discretion for implementation of the chosen strategy.

Losses and Limited Gains

In the case of an option purchase (long call or long put), a client’s entire initial investment of premium can be lost. In the case of a covered option short sale (short call or short put), upside gains can be limited by the sale of a short call against an underlying stock position (see also Assignment” risk above) and a forced purchase of stock can occur in the case of a short cash covered put sale. In the case of a naked call or put sale (a call with no underlying stock position or a put with no cash to cover the possibility of a forced stock purchase), there is the risk of unlimited loss in the call position and substantial loss in the put position.

Lack of Liquidity

Some option markets are very thinly traded and highly illiquid, resulting in wide markets and limited trading opportunities. Should it be determined that an option trade will be attempted in such a market, there is the risk of a fill price that is either substantially higher (purchase) or substantially lower (sale) than mid-market. In such illiquid markets and despite best efforts there is the risk that no fill will occur at all for the intended order.

Other Options Risks

There are various other risks associated with option positions. Options are complex derivative securities and should not be traded without full knowledge of all the factors affecting their value. These factors include changes in implied volatility in the market that can cause an increase or decrease in the value of an option with no concurrent change in the underlying price of the stock. In addition, changes in the underlying stock dividend, time to expiration, market interest rates and other factors can affect the value of an option position.

Option Investment Strategy and Portfolio Management Risk

There can be no assurance that an investment strategy will produce an intended result, which could result in losses to a client. The performance of a strategy depends on the skill of the subadviser in making appropriate investment decisions and many other factors beyond the subadviser's control.

Hedging with Options

Hedging techniques may involve one or more of the following risks: (i) imperfect correlation between the performance and value of the hedging instrument and the position being hedged; (ii) possible lack of a secondary market for closing out a position in such instruments; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the subadviser; and (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the client's position. Furthermore, to the extent that any hedging strategy involves the use of derivatives instruments, such a strategy will be subject to the risks applicable to such instruments, including the effects of the implementation of the various regulations adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act.")

Futures Risk

In certain strategies, the subadviser utilizes futures contracts, including options on futures, on securities or on an index of securities. Futures positions may include both long and short positions. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses and, like other leveraged investments, any trade may result in losses in excess of the amount invested.

Derivatives Risk

The use of derivatives can lead to losses resulting from adverse movements in the price or value of the underlying asset, index, rate or instrument, due to failure of a counterparty or to tax or regulatory constraints. Derivatives can create investment leverage in an account, magnifying an account's exposure to the underlying investment. The risks associated with derivatives use in an account may be heightened when they are used to enhance return or as a substitute for a position or security, rather than solely to hedge the risk of another investment held in the account.

When derivatives are used to gain exposure to a particular market or market segment, their performance may not correlate as expected to the performance of that market or segment, thereby causing the account to fail to achieve its original purpose in using such derivatives. Derivatives used for hedging purposes may not reduce portfolio risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and even a well-conceived transaction may be unsuccessful because of subsequent market behavior or unexpected events.

Derivative instruments may be difficult to value, illiquid, and subject to wide swings in valuation caused by changes in the value of the underlying asset, index, rate or instrument. The loss on a derivatives transaction may substantially exceed the initial investment.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NRS or the integrity of NRS's management. NRS has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

NRS has no other financial industry activities or affiliations.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

NRS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at NRS must acknowledge the terms of the Code of Ethics annually.

The objectives of the NRS Code of Ethics are primarily to protect NRS clients but also to educate NRS employees, remind employees that they are in a position of trust, guard against violations of securities laws and establish verification procedures. Implicit in the NRS Code of Ethics is the recognition that as investment advisors we are fiduciaries and, consequently, have the responsibility to render professional, continuous and unbiased investment advice always acting in the client's best interest and avoiding even the appearance of a conflict.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NRS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest in their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of NRS's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. If a potential purchase or sale is being considered for client accounts in a particular security, any employee transaction in said security must be cleared by the "Conflict Committee" as having no material effect on market price or on an ultimate decision by the firm for client accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between NRS and its clients.

Should you wish to obtain a complete copy of the NRS Code of Ethics, please contact the Chief Compliance Officer, Frank J. Anastasi at (212) 725-1440.

It is not a general practice to recommend client purchase or sale of securities in which the firm or a related person has an interest. Recommendations for clients are based upon the perceived advantages or disadvantages of the security in relation to the client's investment situation and objectives, and upon economic, financial, social, and other factors bearing on its value and on the valuation of alternatives. Recommendations are not withheld, and client transactions are not forestalled because the registrant or a related person may have a direct or indirect interest in the security. NRS does, from time to time, maintain an investment portfolio for the purpose of putting its reserve cash to work, which portfolio may include stocks and longer-term securities as well as short-term issues, some of which may be identical to securities bought, held, or sold in client portfolios. Said portfolio is not expected to become material in size in relation to total client portfolios in the foreseeable future.

It is NRS's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. NRS will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Except in those instances where a client wishes to retain discretion over broker selection and commission rates, NRS accepts discretionary authority to determine the brokers used and the commission paid by clients for securities transactions.

A client may direct the use of a particular broker-dealer to execute portfolio transactions and/or have a prior custodial arrangement with a broker-dealer. NRS will accept such accounts to the extent that the technology of the custodian and NRS allows the effective servicing of the account. In those cases where the client has directed a particular broker-dealer, NRS will not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

In the absence of any client direction to utilize a particular broker or dealer for the execution of transactions in any client accounts, NRS' overriding objective in the selection of broker-dealers is to seek to obtain the best combination of price and execution. On limited occasions, NRS will block or aggregate multiple client orders in the same bond or stock. This practice could facilitate execution of the order and may result in a better execution price and lower commission cost. Best price is normally an important factor in this decision, but the selection also considers the quality of brokerage services, including such factors as execution capability, financial stability, and clearance and settlement capability. Accordingly, transactions will not always be executed at the lowest available commission.

In our attempt to give equitable treatment to client orders whether they are in custody at a bank or broker, where and when feasible, orders may be entered on a rotation basis depending on various criteria, such as, the number of custodians involved in the original transaction, liquidity of the stock, volume of the shares being transacted and the time of day, among others.

Fixed Income securities are generally purchased from the issuer or a primary market-maker acting as principal on a net basis with no brokerage commission paid by the client.

Where more than one broker-dealer is believed to be capable of providing the best combination of price and execution with respect to a particular portfolio transaction, NRS often selects a broker-dealer that furnishes its research, including research reports on companies, industries, and securities; economic and financial data; financial publications, and computer data bases. These selections, and the amount of brokerage given to a particular broker-dealer, are not made pursuant to any agreement or commitment to any of the selected broker-dealers that would bind NRS to compensate the selected broker-dealer for research provided. However, NRS does maintain an internal allocation procedure to identify those broker-dealers who have provided it with research and the amount of research they provided and does endeavor to direct sufficient commissions to them to ensure the continued receipt of research NRS believes is useful. Although it is not possible to assign an exact dollar value to certain services, they may, if and to the extent used, tend to reduce the expenses of NRS. The fees paid to NRS by clients are not reduced because NRS receives such services. Research and execution-related services furnished by brokers and dealers with whom NRS arranges transactions may be beneficial to certain accounts advised by NRS. A particular account may be charged a commission paid to a broker-dealer which supplies research or execution-related services not directly utilized by such account. However, NRS expects that all client accounts will benefit overall from these practices because of the overall benefits of research and execution-related services.

Consistent with seeking to obtain best execution for clients, NRS may direct brokerage transactions for clients' portfolios to broker-dealers who provide research and execution services to NRS and, indirectly, to NRS's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment NRS's own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at NRS's discretion). Research services obtained through the use of soft dollars generally include statistical or quotation services, including online services. NRS does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research NRS receives will help NRS to fulfill its overall duty to its clients.

NRS may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers selected by NRS may be paid commissions for effecting transactions for NRS's clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if NRS determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or NRS's overall duty to its ('brokerage') discretionary client accounts. Soft dollar benefits are not limited to those clients who may have generated a particular benefit, although certain soft dollar allocations are connected to particular clients or groups of clients.

The reasonableness of brokerage commissions is evaluated on an ongoing basis. Such factors as a periodic review of the general level of commissions paid and comparison with industry data are considered.

NRS will suggest those brokers or dealers who will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, research, and other services that will help NRS in providing investment management services to clients. NRS may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research furnished by broker-dealers may be used in servicing any or all of the clients of NRS and may be used in connection with accounts other than those that pay commissions to the broker-dealer providing the research.

If a client does not have a current custodial relationship or would like to be directed to one, NRS may suggest that clients consider Fidelity Brokerage Services, LLC (“Fidelity”), member FINRA/SIPC or Charles Schwab & Company, Inc., member FINRA/SIPC. NRS participates in the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity and Schwab Advisor Services (SAS) program, sponsored by Schwab. Both programs are offered to independent investment advisors. Fidelity and Schwab are unaffiliated SEC-registered broker-dealers and FINRA member broker-dealers. Fidelity and Schwab offer all the services a bank does without the custodial fee. In addition, they also offer "Prime Brokerage" services where the client has the ability to trade with other "free" accounts (those held at a bank). This is beneficial when buying or selling thinly traded stocks so that the orders can be entered as a block. However, when trading with free accounts a trade-away fee will be assessed.

While NRS has the discretion to select various brokers on behalf of clients, the decisions regarding where to implement client transactions are significantly affected by the client's choice of a custodian. For clients choosing brokers as custodians, NRS must execute most client transactions through the client's selected broker/custodian unless the broker-dealer allows us to do otherwise.

For clients choosing a bank as a custodian, clients are not charged trade-away fees but rather pay custodial fees to the banking institution. Clients should consider these fees in connection with their selection of a custodian.

Brokers and banks that NRS selects to execute transactions may from time to time refer clients to NRS. While NRS will not make commitments to any broker to compensate that broker through commissions for client referrals, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and NRS's interest in receiving future referrals. This may provide NRS with an incentive to recommend that a client also retain the referring broker or banking institution for custodial services.

Clients may also further direct NRS to conduct all securities transactions at a directed broker of the client's choice. In such cases, NRS will not have the authority to negotiate client commissions, and NRS's ability to seek best execution will be limited.

The client's selections of custodians and/or direction of brokerage further limits NRS's ability to block client transactions. Client accounts held at brokers may not be included in block trades with clients custodied at other financial institutions. To the extent custodial choices affect the ability to block trades, NRS's ability to seek best execution is further limited.

With respect to assets managed by a subadviser, NRS delegates its authority for selection of broker-dealers with respect to that sleeve of subadvised assets to the subadviser, who has authority to select broker-dealers and execute transactions, including options transactions, consistent with the subadviser's best-execution obligations. A subadviser may, where permitted by law and disclosed to NRS, execute transactions through broker-dealers affiliated with it or engage in other transactions presenting conflicts of interest. NRS periodically reviews the subadviser's brokerage and best-execution practices as part of its oversight of the subadviser.

Item 13 – Review of Accounts

Reviews

Investment management accounts are under constant review by a principal/portfolio manager of NRS. All accounts are under constant supervision concerning adherence to investment mandates and client investment restrictions. Monitoring of accounts is performed to verify, among other reasons, client transactions, the receipt and distribution of funds, and compliance with clients' investment guidelines and restrictions. The individual management and consideration of client accounts subjects clients to investment in similar securities at different times and prices. NRS does not seek to advantage any clients over other clients through the order of trading decisions in similar securities for different clients.

Portfolio managers actively review client accounts via reports and an internal portfolio management system. The number of client accounts monitored by portfolio manager varies. In addition, the sequence and frequency of his/her reviews varies depending on his/her appraisal of the significance of the informal discussions with clients, examination of portfolio weightings, income requirements and consideration of possible improvement or risk. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, political or economic environment.

Regular Client Reports

Portfolio appraisals are customarily furnished to clients on at least a quarterly basis. Different cycles of reporting are also available upon special request. Written portfolio appraisals show the amount, dollar cost, current market value, estimated annual income, and dividend yield or bond yield to maturity on each security held in the account in a format that allows the client to assess his/her situation readily.

Item 14 – Client Referrals and Other Compensation

Client Referrals

NRS may, from time to time, compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. NRS is aware of the special considerations promulgated under Section 206(4)-1 of the Investment Advisers Act of 1940, as amended, and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by NRS, and all applicable federal and/or state laws will be observed.

Other Compensation

As indicated under the disclosure for Item 12, FIWS and SAS provide NRS with access to services which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit NRS but may not benefit its clients' accounts. Many of the products and services assist NRS in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of NRS' fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service a substantial number of NRS' accounts. FIWS and SAS also make available to NRS other services intended to help NRS manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. NRS does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, NRS endeavors to act in its clients' best interests, NRS' recommendation that clients maintain their assets in accounts at FIWS or SAS may be based in part on the benefit to NRS of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains client's investment assets. NRS urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

NRS usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Some clients retain NRS on a non-discretionary basis, requiring that portfolio transactions be discussed in advance and executed at the client's direction.

For clients participating in certain strategies managed by a third-party subadviser, NRS may delegate discretionary investment authority over a designated portion of the client's account to the subadviser, subject to NRS's supervision and the client's applicable investment objectives, restrictions and guidelines.

Any non-discretionary accounts should recognize that by their very nature and the need for NRS to receive consent on trades for such accounts, non-discretionary accounts will often be traded after discretionary accounts and separate from discretionary accounts. The execution time and price of securities transactions will be affected by the delay in obtaining client consent.

When selecting securities and determining amounts, NRS observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment restrictions must be provided to NRS in writing.

Item 17 – Voting Client Securities

Proxy Voting

As a matter of firm policy and practice, NRS does not generally accept the authority to and does not vote proxies on behalf of advisory Clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in Client portfolios.

In certain circumstances, however, NRS may be required to vote proxies as part of its fiduciary duties to certain ERISA plans or certain other unique client circumstances.
For client accounts where NRS retains proxy voting responsibility, NRS has retained Institutional Shareholder Services ("ISS"). For NRS to be able to vote proxies on behalf of a client, NRS must receive written authorization from the client. Authorization from a client may be obtained through the NRS Investment Advisory Agreement, through the client's custodial agreement or via a separate NRS proxy letter.

NRS utilizes the ISS Standard Voting Policy for clients, which typically votes ballots based on what is financially best for the clients. Based on the guidelines in the policy, ISS shall vote all proxies it receives for NRS clients consistent with the guidelines. NRS has full access to view ballots that have been voted via a secure website, and if necessary, given sufficient time, NRS has the ability to override a vote.

To request a copy of the firm's proxy policy or to obtain proxy vote records, please contact Chief Compliance Officer Frank J. Anastasi at (212) 725-1440.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about NRS's financial condition. NRS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.