

# ***St Bernard Asset Management, Inc.***

## **Regulation Best Interest Disclosures**

*This document is intended to provide an overview of our relationship with you and how our relationships with others may affect our relationship with you. It also provides you with select product-specific disclosures. Other important disclosures may be found in prospectuses, your trade confirmations, your account statements, other disclosure documents that have been or will be provided to you, and on our website at [www.stbernardfinancial.com](http://www.stbernardfinancial.com)*

### **TABLE OF CONTENTS**

|                                                                      |                 |
|----------------------------------------------------------------------|-----------------|
| <b><i>Our Relationship with You.....</i></b>                         | <b><i>2</i></b> |
| <b><i>Brokerage and Investment Advisory Relationships .....</i></b>  | <b><i>2</i></b> |
| <b><i>Investment Strategy and Risks .....</i></b>                    | <b><i>2</i></b> |
| <b><i>Capacity of Recommendations .....</i></b>                      | <b><i>3</i></b> |
| <b><i>Account Monitoring .....</i></b>                               | <b><i>4</i></b> |
| <b><i>Your Relationship with Your Financial Consultant .....</i></b> | <b><i>4</i></b> |
| <b><i>Revenue from Your Transactions .....</i></b>                   | <b><i>4</i></b> |
| <b><i>Fees and Compensation .....</i></b>                            | <b><i>5</i></b> |
| <b><i>Commissions .....</i></b>                                      | <b><i>5</i></b> |
| <b><i>Account Fees and Costs .....</i></b>                           | <b><i>5</i></b> |
| <b><i>Rollovers and Transfers .....</i></b>                          | <b><i>5</i></b> |
| <b><i>Our Relationships with Others .....</i></b>                    | <b><i>5</i></b> |
| <b><i>Product-Specific Disclosures .....</i></b>                     | <b><i>6</i></b> |
| <b><i>Insurance Products .....</i></b>                               | <b><i>6</i></b> |
| <b><i>Unit Investment Trusts (UITs) .....</i></b>                    | <b><i>6</i></b> |

|                                           |          |
|-------------------------------------------|----------|
| <b>Mutual Funds .....</b>                 | <b>6</b> |
| <b>Money Market Funds .....</b>           | <b>7</b> |
| <b>529 Plans .....</b>                    | <b>7</b> |
| <b>Bonds .....</b>                        | <b>7</b> |
| <b>Equities .....</b>                     | <b>7</b> |
| <b>Options .....</b>                      | <b>8</b> |
| <b>Exchange Traded Funds (ETFs) .....</b> | <b>8</b> |

## **OUR RELATIONSHIP WITH YOU**

### **BROKERAGE AND INVESTMENT ADVISORY RELATIONSHIPS**

*Depending on your needs and your investment objectives, you may have brokerage accounts, advisory accounts or both. There are important differences between these types of accounts, and you should understand them so you choose the services that are right for you. St Bernard Asset Management, Inc.. (“St Bernard”) is registered with the SEC as an investment adviser, offering investment advisory services. Your relationship with your Financial Consultant, and the obligations of St Bernard Asset Management, Inc., will be different in different types of accounts. For more information regarding your relationship with St Bernard Asset Management, Inc., please go to [www.stbernardfinancial.com](http://www.stbernardfinancial.com) or contact your Financial Consultant.*

### **INVESTMENT STRATEGY AND RISKS**

*Your Financial Consultant will develop an individualized investment strategy based upon your needs and time horizon. You are encouraged to keep your Financial Consultant apprised of any changes to your investment needs and your financial circumstances. When a particular investment varies from the strategy you and your Financial Consultant have developed, your Financial Consultant will discuss this with you at or before the time of investment.*

*St Bernard Asset Management, Inc. offers different account investment objectives and risk exposures. Your Financial Consultant will use your account’s investment objective and risk exposure, as well as other factors such as your liquidity needs and investment time horizon, to determine which recommendations are in your best interest and suitable for your account. It is important to understand that all investments involve risk, including the risk that you may lose your entire investment. Some investments are riskier than others. High-risk investments may have the potential for higher returns but also higher losses. The higher your stated risk*

*exposure, the more you may decide to invest in higher-risk investments to achieve your stated investment objective.*

## **INVESTMENT OBJECTIVE**

### **DESCRIPTION**

*Income - An investment approach by which an investor generally seeks current income over time.*

*Long-Term Growth - An investment approach by which an investor generally seeks capital appreciation through buying and holding securities over an extended period of time.*

*Short-Term Growth - An investment approach by which an investor generally seeks short-term capital gains through buying and selling securities over a short period of time.*

## **RISK EXPOSURE**

### **DESCRIPTION**

*Low - Client has a low tolerance for short-term market fluctuation and accepts limited capital appreciation in exchange for minimal risk to principal.*

*Moderate - Client has a moderate tolerance for short-term market fluctuation and expects moderate capital appreciation in exchange for additional risk to principal investment.*

*High - Client has a high tolerance for short-term market fluctuation and expects significant capital appreciation in exchange for increased risk to principal.*

*Speculative - Client has a very high tolerance for short-term market fluctuation and accepts greatly increased risk to principal in exchange for potentially significant capital appreciation.*

## **CAPACITY OF RECOMMENDATIONS**

*All recommendations regarding your brokerage account will be made in a brokerage capacity, and all recommendations regarding your advisory account will be made in an advisory capacity. When we make a recommendation to you, we will expressly tell you orally which account we are discussing.*

## **ACCOUNT MONITORING**

*We do not offer continuous monitoring of brokerage accounts. It is your responsibility to regularly review the investments in your brokerage account, and we encourage you to do so. As a courtesy, your Financial Consultant may periodically keep you informed about your accounts and may review your account in order to make a recommendation. Your Financial Consultant is not obligated to review your account on a periodic basis, however, and any such review should not be construed as continuous monitoring. If your account is an investment advisory account, we will continually monitor the investments in your advisory account.*

## **YOUR RELATIONSHIP WITH YOUR FINANCIAL CONSULTANT**

*Your Financial Consultant is paid based on a compensation grid that provides for progressive increases in compensation based on total revenue. Your Financial Consultant may be paid both a recruitment bonus and a yearend bonus in addition to his or her grid-based compensation. Your Financial Consultant may receive financial incentives from the Firm including a business development allowance based on total revenue brought into the Firm.*

*Your Financial Consultant could have conflicts of interest beyond those disclosed by St Bernard Asset Management, Inc. as an investment advisor. Where appropriate, your Financial Consultant will disclose any such conflicts of interest no later than the time an investment recommendation is made. These disclosures may be provided to you orally.*

*Your Financial Consultant may not be registered as an investment adviser, and this would constitute a material limitation on the services that he or she may offer.*

## **REVENUE FROM YOUR TRANSACTIONS**

*When we are acting as your investment adviser, transactions in securities in which St Bernard Asset Management, Inc.. acts as a principal will only be effected for clients subject to the client's consent to such transaction indicating the quantity and dollar amount of the securities being purchased or sold. St Bernard Asset Management, Inc.. will strive to obtain "best execution" of transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances.*

## **FEES AND COMPENSATION**

### **COMMISSIONS**

*You will pay transaction-based fees with the clearing company for trades you decide to enter into, such as buying and selling stocks, bonds, exchange traded products (ETPs), mutual funds, exercising options and other investment purchases and sales. These transaction-based fees are generally referred to as a "mark up," "sales load," or a "sales charge." There are additional fees associated with certain products. More information can be found in the*

*product-specific disclosure section below and other disclosure documents associated with these products.*

## **ACCOUNT FEES AND COSTS**

*Brokerage accounts may be charged an annual fee. For more information regarding fees and costs, please talk to your Financial Consultant.*

## **ROLLOVERS AND TRANSFERS**

*Rollovers and transfers bring in more assets to the Firm which typically results in more fees paid to the Firm. If your Financial Consultant recommends a rollover or transfer, he or she will provide you with a Rollover Certification and Election Form to review before a rollover or transfer is initiated.*

*As discussed above, St Bernard Asset Management, Inc.. offers advisory accounts. For advisory accounts, St Bernard Asset Management, Inc.. charges investment advisory fees as a percentage of client assets under management which includes cash assets in the Bank Sweep Program*

## **OUR RELATIONSHIPS WITH OTHERS**

*Where St Bernard Asset Management, Inc.. receives compensation from our Clearing firms, this presents a conflict of interest because St Bernard Asset Management, Inc.. and your Financial Consultant have a greater incentive to make available, recommend, or make investment decisions regarding investments and services that provide additional compensation over those investments and services that do not.*

## **PRODUCT-SPECIFIC DISCLOSURES**

### **UNIT INVESTMENT TRUSTS (UITs)**

*There are characteristically two components of the UIT sales charge: the transactional sales fee and the creation and development (“C&D”) fee. The transactional sales fee does not apply to advisory accounts. The C&D fee is paid to the sponsor of the trust for creating and developing the trust, which includes determining the trust objectives, policies, composition and size, selecting service providers and information services as well as providing other similar administrative and ministerial functions. Your trust pays the creation and development fee as*

*a fixed dollar amount at the close of the initial offering period. The sponsor does not use the fee to pay distribution expenses or as compensation for sales efforts.*

## **MUTUAL FUNDS**

*If you invest in mutual funds or other investment companies, such as exchange traded funds, you should carefully consider the investment objectives, charges, risks, fees and expenses of any investment company before investing. The prospectus and summary prospectus contain important information about the investment company which we encourage you to review prior to investing. You can obtain a current prospectus and a summary prospectus from your Financial Consultant.*

*Investing in mutual funds can be more expensive than other investment options due to the fees and expenses mutual funds charge. Fund fees and expenses are charged directly to the pool of the fund's assets and are reflected in the fund's share price. The fund expense ratio (the percentage of fund assets used for fund expenses) is disclosed in the prospectus.*

*Funds that charge a sales charge, either at the time you buy the shares or at the time you sell them, are known as "load funds." In brokerage accounts, fees from load funds are paid to the Financial Consultant and differ based on fund or fund family. Funds that do not charge sales fees ("no load funds") are not available in brokerage accounts. In advisory accounts, load funds are sold to you at net asset value (NAV), and any 12-b1 fees are rebated back to you.*

## **MONEY MARKET FUNDS**

*Money market funds are a type of mutual fund that invests in high-quality, short-term debt instruments, cash, and cash equivalents. As with other mutual funds, the prospectus and, if available, the summary prospectus contains information about the investment company. You can obtain a current prospectus and, if available, a summary prospectus from your Financial Consultant. Please read the prospectus and, if available, a summary prospectus carefully before investing. Although money market funds seek to preserve the value of your investment at \$1.00 per share, this cannot be guaranteed. Investing in money market funds involves some element of risk, and you could lose money by investing in a money market fund. Investments in money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Money market fund sponsors have no legal obligation to provide financial support to money market funds, and you should not expect that the sponsor will provide financial support to money market funds at any time.*

## **529 PLANS**

*If you invest in a 529 plan, you will be provided a plan disclosure document with important disclosures and additional information. You should carefully review this document and discuss any questions you may have with your Financial Consultant.*

***EXCHANGE TRADED FUNDS (ETFs)***

***Leveraged and inverse ETFs carry additional risks over traditional ETFs, and your Financial Consultant may not solicit transactions in these products.***