Dear Client,

Pursuant to the Master Services Agreement (the "Agreement") signed between us and you, we may, from time to time provide certain products, services, and materials to you. As part of those services, and fully subject to the terms and conditions of the Agreement, attached below is a SAMPLE TESTIMONIAL POLICY (the "Document") for your review and inspection. It is provided to you on a complimentary basis *solely for informational purposes*. The Document terms may not reflect your policies and procedures, nor does it claim to represent best practices or industry standards.

DISCLAIMER

FMG IS NOT A LAW FIRM OR PROVIDER OF LEGAL SERVICES. THE DOCUMENT IS NOT LEGAL ADVICE AND SHOULD NOT BE CONSTRUED AS LEGAL ADVICE ON ANY MATTER. YOU SHOULD CONSULT LEGAL COUNSEL WHEN DRAFTING AND ADOPTING COMPLIANCE POLICIES AND PROCEDURES. WE MAKE NO REPRESENTATIONS, WARRANTIES, OR GUARANTEES ABOUT THE DOCUMENT'S ACCURACY, APPLICABILITY TO YOU, OR GENERAL FITNESS FOR USE. WE ACCEPT NO LIABILITY FOR YOUR REVIEW OF, USE OF, OR RELIANCE ON THE DOCUMENT.

CLIENT ACKNOWLEDGEMENT

By accepting and reviewing the Document, you agree and acknowledge that:

- The Document is subject to the terms and conditions of the Agreement;
- The Document is not, nor contains, legal advice; and
- You alone are responsible for your compliance with all applicable laws and FMG assumes no liability thereto.

If you have any questions about your legal or compliance obligations, please consult legal counsel. If you have any questions about FMG Testimonials services, please do not hesitate to contact us.

Sincerely,
FMG Testimonials Team

fmg testimonials

SAMPLE TESTIMONIAL POLICY

[Company] desires to collect and use testimonials for advertising the services of the firm and Investment Advisors. We have considered the operational and regulatory requirements of using testimonials and have consequently drafted and adopted the following policy. This policy is not a full description of the applicable laws or operational procedures, nor is this policy legal advice. The policy described here is designed to provide guidance and assist Investment Advisors and Employees comply with our firm's requirements. If any Investment Advisor or Employee has questions or concerns, they may contact Legal or Compliance.

Background

Under SEC Rule 206(4)-1 Investment Adviser Marketing (the "Rule"), testimonials are permitted to be used in advertising if they adhere to guidelines including satisfying certain disclosure, oversight, and disqualification provisions.

A "Testimonial" is defined as "any statement by a current client or private fund investor:

1. About the client or investor's experience with the Investment Adviser or its supervised persons [regardless of whether it specifically pertains to securities or investment advice, or any other service provided by the Investment Adviser or its supervised persons];
2. That directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the Investment Adviser; or
3. That refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the Investment Adviser."

All Testimonials used in advertisements must abide by general advertising regulations in that they cannot be misleading, untrue, or fictitious. Further, reference to performance information in Testimonials is prohibited. All Testimonials used in advertising must be received in writing and maintained in a Testimonial file (can be physical or electronic), and they must be approved by Compliance prior to use.

There are three overarching conditions for using Testimonials in advertising:

1. Advisers must either make all the required disclosures; or if the Firm is using a third-party promoter, it must "reasonably believe" that the person giving the Testimonial makes all the required disclosures.
2. Advisers must have a "reasonable basis for believing that any Testimonial complies with the requirements of the rule."
3. Advisers may not compensate "ineligible persons" (e.g., those previously sanctioned under Federal securities laws) who provide Testimonials.

The required disclosures that must "clearly and prominently" accompany all Testimonials used in advertising are:

1. If the Testimonial was given by a current client.
2. If cash or non-cash compensation was provided for the Testimonial. (A compensated Testimonial disseminated through a social media platform must clearly and prominently label it as a paid Testimonial.)
3. A brief statement of any material conflicts of interest due to the relationship between the person providing the Testimonial and the Adviser.
4. The material terms of any compensation arrangement, including a description of the compensation provided or to be provided, directly or indirectly, for the Testimonial. If a specific amount of cash compensation is paid, disclose the amount. If the compensation takes the form of a percentage of the total advisory fee over a period of time, disclose the percentage and time period. With respect to non-cash compensation, if the value of non-cash is readily available ascertainable, include that amount. If all or part of the compensation, cash or non-cash, is payable upon dissemination of the Testimonial or endorsement or is deferred or contingent on a certain future event, disclose the terms.
5. A description of any material conflicts of interest due to such compensation. There should be explicit disclosure that the promoter, due to such compensation, has incentive to recommend the adviser, resulting in a material conflict of interest.

"Clearly and prominently" means that the associated disclosure must be included within the body of the material for written communications and may be presented in written format or orally in connection with an oral Testimonial or endorsement.

Further, while each individual Testimonial may not be misleading or untrue in isolation, nor may advertisements using Testimonials be misleading in the aggregate, such as by firms curating an unrepresentative sample or cherry-picking the most favorable Testimonials for presentation.

Policy

The firm, as a matter policy and practice, may include Testimonials in advertisements, provided appropriate disclosures and regulatory requirements are met and that all collection and dissemination of Testimonials conform to this Policy. Compliance shall at all times maintain oversight of the collection, use, and display of Testimonials.

The firm [may / may not] compensate clients for Testimonials [if firms choose to compensate clients, then they must also have appropriate oversight to ensure they do not compensate anyone defined as a "bad actor"].

The firm [may / may not] provide opportunities for clients to share Testimonials on third-party review sites, such as Google.

Procedures

Requests for Testimonials

Compliance will review requests for client Testimonial prior to contacting clients to verify the context of the request will not bias responses or imply compensation.

[If firm has chosen to provide opportunities for clients to share Testimonials on third-party sites]. All clients must have an equal opportunity to provide Testimonials on third-party sites, such as Google.

Opportunities to share feedback will be provided to clients [at least once a quarter | following a meeting with their adviser | at another pre-defined cadence]. Compliance will maintain oversight over the process to ensure the firm does not bias the process by which clients share feedback to third-party sites.

Displaying Testimonials

Compliance will review and approve client Testimonials for use in advertisements prior to dissemination of the advertisement. Compliance will verify that advertisements containing Testimonials contain appropriate disclosures and materially comply with all SEC rules governing advertising and the use of Testimonials.

Compliance will verify that advertisements containing Testimonials will either provide a representative sample of Testimonials or will provide directions to view a representative sample. Additionally, Compliance shall periodically re-review all live advertisements and retain the option to remove individual Testimonials.

Books and Records Retention

The firm shall maintain a repository of all requests for client Testimonials, published Testimonials, and accompanying disclosures. Written contracts relating to Testimonials (such as with third parties) and client consents shall also be maintained. Compliance shall be responsible for designating the appropriate submission channels and retention platforms.

Additional Terms Applicable to Compensated Testimonials and Use of Third Parties

With respect to compensated Testimonials and the use of Third Parties in advertising, the Rule requires firms:

1. To have a reasonable basis for believing, depending on the facts and circumstances, that a Testimonial or endorsement complies with the requirements of the Rule;
2. To have a written agreement with any person giving a compensated Testimonial that describes the scope of the agreed-upon activities and the terms of compensation, subject to certain exemptions discussed below; and
3. To be responsible for the advertisements of Third Parties with whom the firm contracts, compensates, or otherwise collaborates.

Having a written agreement would not by itself establish a reasonable belief of compliance with the Rule; firms must affirmatively review such advertisements and Testimonials for compliance with the Rule.

Applicable Exemptions

There are several exemptions that apply to the use of compensated Testimonials provided by:

1. promoters that receive no compensation or de minimis compensation ($1,000 threshold);
2. certain affiliated persons of the adviser,
3. broker-dealers making a recommendation subject to Regulation Best Interest
4. broker-dealers making a Testimonial or endorsement to a non-retail interest, as defined by Regulation Best Interest
5. certain "covered persons" under rule 506(d) of Regulation D with respect to Rule 506 securities private offerings.

De Minimis Exemption

If the cash or non-cash compensation is valued at less than $1,000 per 12-month period, a written agreement is not required, and the disqualification provision described below does not apply. To determine whether the de minimis exemption has been exceeded (at least $1,000 in any 12-month period), the Firm must maintain records of any amount of compensation paid to a promoter, including the value of non- cash compensation.

Disqualification

The Rule prohibits certain "bad actors" from acting as promoters, subject to exceptions where other disqualification provisions apply. An adviser will not be able to compensate a person, directly or indirectly, for a Testimonial or endorsement if the adviser knows, or in the exercise of reasonable care should know, that the person giving the Testimonial or endorsement is, at that time, ineligible under the Rule. However, this prohibition will not disqualify a promoter for a matter that occurred prior to the effective date of the Rule, provided the matter would not have disqualified the promoter under the former Cash Solicitation Rule. Importantly, the disqualification provision applies only to persons who provide compensated Testimonials or endorsements. Accordingly, advisers will still be able to advertise endorsements or Testimonials of bad actors, if the bad actors are purely altruistic and do not receive any cash or non-cash compensation.

Ineligible Person

Under the Rule, an "ineligible person" is a person who is subject to a disqualifying SEC action or is subject to any disqualifying event. Broadly applied, where the promoter is an entity, that promoter entity would be ineligible if any of the following persons was subject to a disqualifying event: (i) any employee, officer, or director of the promoter firm and any other individuals with similar status or functions within the scope of association with the promoter entity; (ii) if the promoter entity is a partnership, all general partners of the promoter entity; and (iii) if the promoter entity is a limited liability company managed by elected managers, then all elected managers of the promoter entity. The SEC stated that the Rule should not apply to a disqualified person's "control affiliates."

Exercise of Reasonable Care

Advisers are required to act with reasonable care in determining whether a promoter is not an ineligible person. Although the Rule does not require continuous monitoring of the eligibility of compensated promoters, some level of monitoring would be required to exercise reasonable care, which would depend on the particular facts and circumstances. Accordingly, advisers that rely on Testimonials or endorsements to promote their advisory services should consider what level of ongoing monitoring would be appropriate to ensure that such promoters remain eligible under the Rule, as they will not be permitted to turn a blind eye.

Third-Party Attribution

In addition to "advertisements" directed by the firm, the firm shall also be responsible for "advertisements" directed by a third-party if the firm (or a related person) participates in the communication. Whether information posted or published by third parties is attributable to an adviser requires an analysis of the facts and circumstances to determine (i) whether the adviser has explicitly or implicitly endorsed or approved the information after its publication (adoption) or (ii) the extent to which the adviser has involved itself in the preparation of the information (entanglement). At a minimum, the following factors should be considered by the firm when assessing whether it has participated in a third-party "advertisement":

1. Was the firm involved in creating or disseminating the advertisement (entanglement)?
2. Did the firm authorize the communication?
3. Did the firm provide the material to third-party for dissemination?
4. Did the firm endorse the material after publication (adoption)?
5. Are the materials collaborative (ex. fund of funds, 3rd party models)?
6. Did the firm selectively delete, alter, or endorse comments on a third parties' content on the firm's social media platform(s)?