



Form ADV Part 2A Brochure

May 2023

This brochure provides information about the qualifications and business practices of Elite Capital Management Group, LLC. If you have any questions about the contents of this brochure, please contact Matthew Butler, Managing Principal at 203.699.9662. Email inquiries may be sent to matthew.butler@elitecapgroup.com.

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. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Elite Capital Management Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Elite Capital Management Group, LLC's CRD Number is 144228.

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Item 2: Summary of Material Changes

Annual Update

These are the following material changes in this brochure from the last annual updating amendment of Elite Capital Management Group, LLC on 3/28/2022. Material changes relate to Elite Capital Managing Group, LLC's policies, practices, or conflicts of interest.

Mailing Address

- Mailing address updated to new address: PO Box 312 East Berlin, CT 06023

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

- Added ETF specific risk disclosure.
- Added Dependence on Key Employees risk disclosure.

Item 12 – Brokerage Practices

- Disclosure of soft-dollar policies updated to state that firm DOES NOT have a soft dollar arrangement in place and does not collect soft-dollars as previously disclosed. The firm does receive a monetary benefit from its custodian, Charles Schwab, to help cover certain technology expenses. This arrangement is not considered a soft-dollar benefit; however, a conflict of interest does exist as it could cause Elite to continue to choose Charles Schwab as its custodian on the basis of benefits received rather than the cost and quality of its custodial and brokerage services.

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Item 4: Advisory Business

Firm Background

Elite Capital Management Group, LLC (Elite) was established in March 2007 by Matthew Butler, the Firm's founder, sole owner, and Managing Principal.

Elite is a registered investment adviser that works exclusively with credit unions. Regulated by the Securities and Exchange Commission (SEC) and held to the fiduciary standard of the Investment Advisors Act of 1940, Elite provides federally chartered and state-chartered credit unions with investment advisory services along with automated accounting and reporting.

Types of Advisory Services

Elite pioneered the concept of employee benefits pre-funding in the credit union space in 2007 with the introduction of its flagship program, the Elite Yield Enhancement Pre-Funding Program®. Under the auspices of NCUA Code §701.19(c), the Elite Yield Enhancement Pre-Funding Program® seeks to invest a portion of the client's available liquidity in investments that offer potentially higher returns than what traditional NCUA Part 703 investments provide. These higher returns can be used to offset or reduce net out of pocket employee benefit expenditures.

Elite also manages Charitable Donation Accounts for credit unions. These portfolios are managed in the same manner as employee benefits pre-funding programs.

Additionally, Elite manages portfolios for its clients that consist entirely of NCUA Part 703 permissible securities. These include agency mortgage-backed securities, municipal bonds, Treasuries, etc.

Elite provides its clients with 24/7 access to portfolio information via its web-based accounting & reporting platform. All portfolio activity is reconciled on a daily basis for each account and clients are able to automate their period-end reporting processes. The accounting & reporting portal grants client's access to accounting, compliance, performance, and risk metrics whenever and wherever needed. There is no additional fee for this service.

Tailored Portfolios

Elite customizes investment advisory services to the individual needs of the client. The goals and objectives for each client are documented and investment policy statements are created that reflect the stated goals and objectives. Elite's clients are allowed to impose restrictions on the investments in their account. Elite may accept any reasonable limitation or restriction to discretionary authority placed by the client. All limitations and restrictions placed on accounts must be presented to Elite in writing.

Wrap Fee Programs

Elite does not participate in any Wrap Fee Programs.

Client Assets

As of December 31, 2022 Elite manages approximately \$379,193,602 million in assets.

Item 5: Fees and Compensation

Compensation

Elite bases its fees on a percentage of assets under management. Elite's maximum fee schedule is described below.

Compensation - Investment Advisory Services

ASSETS UNDER MANAGEMENT	ANNUAL FEE
\$0-\$5,000,000	0.85%
\$5,000,001-\$10,000,000	0.50%
\$10,000,001-\$50,000,000	0.30%
\$50,000,001-\$100,000,000	0.20%
\$100,000,001+	0.10%

Calculation and Payment

The specific manner in which fees are charged by Elite is established in a client's written agreement. Elite will generally calculate fees in arrears on a monthly basis based on the end of month account value and directly debit those fees from client accounts. Because fees are charged in arrears, no refund policy is necessary. Clients may elect to be invoiced directly for fees or authorize Elite to directly debit fees from client accounts.

Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any earned unpaid fees will be due and payable.

Agreement Terms

A client may terminate the client agreement at any time by notifying Elite in writing.

General Information on Compensation and Other Fees

In certain circumstances, fees, account minimums and payment terms are negotiable depending on a client's unique situation - such as the size of the aggregate related party portfolio size, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may (or may not) be available from other sources.

Elite'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 separate account managers, custodial fees, 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 Elite's fee, and Elite shall not receive any portion of these commissions, fees, and costs.

Elite utilizes a subadvisor, GWK, to assist in managing client accounts. GWK charges an additional fee of 0.15% to 0.18% annually. This fee is in addition to Elite's advisory fee described in the fee schedule above and Elite does not receive any part of GWK's additional fee. This fee is included in a client's monthly fee calculation and is remitted to GWK following monthly assessment of fees.

All fees paid to Elite for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees will generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by Elite for a client account will be executed at NAV. Clients may also incur charges for other account services provided by custodians not directly related to the execution and clearing of transactions including, but not limited to, safekeeping fees, and fees for legal or courtesy transfers of securities.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither Elite nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Elite does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

As described in Item 4, Elite's clients are credit unions.

Account Minimums

Elite requires a minimum account of \$5,000,000 for investment advisory clients, although this may be negotiable under certain circumstances.

Methods of Analysis

Equity Securities. In order for a stock to be considered for inclusion in Elite's portfolios it must possess at least 5 of the following 6 criteria:

1. Dividend increases 5 times in the last 12 years
2. S&P Quality Ranking in the "A" category
3. At least 5,000,000 shares outstanding
4. At least 80 institutional investors
5. At least 25 years of uninterrupted dividends
6. Earnings improved in at least 7 of the last 12 years

This strict criterion eliminates more than 97% of the stock universe from being considered for Elite's portfolios. The stocks that are available for inclusion in Elite's portfolios have long histories of paying dividends. Elite analyzes these stocks for repetitive yield patterns in an attempt to quantify (price) the stock as undervalued (buy), overvalued (sell), rising trend (hold), or declining trend (consider buying when undervalued is reached). This type of quantitative analysis is based on the principles of The Dividend Theory.

Debt Securities. Elite works with Separate Account Managers with respect to the debt securities held in its portfolios. These Separate Account Managers serve as fixed income sub-advisors to Elite. Elite performs extensive and ongoing due diligence when selecting Separate Account Managers to work with. Debt securities in Elite's portfolios are predominantly comprised of individual bonds i.e., investment grade corporate bonds, mortgages, agencies, taxable munis, etc., and are managed in Separately Managed Accounts (SMAs). An SMA is similar to a mutual fund in that it is a portfolio of professionally managed assets, however, unlike a mutual fund an SMA is managed separately for each account holder e.g., client assets are not pooled together

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. All investment programs have certain risks that are borne by the investor. Elite's

investment approach keeps the risk of loss in mind. Investors face the following investment risks: • Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- ETF Risks, including Net Asset Valuations and Tracking Error: An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in

good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Geopolitical Risk:** Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.
- **Dependence on Key Employees:** An account's success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

Elite reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Elite may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

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 Elite or the integrity of Elite's management. Elite has no information to disclose applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Elite is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Elite nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Neither Elite nor any of its management persons have a material relationship or arrangement with any other related person or financial industry entity.

Other Investment Advisors

Elite may recommend or select other independent investment advisors for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Elite's employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Matthew Butler, Managing Principal, reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of Elite receive preferential treatment.

Elite's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of Elite's Code of Ethics by contacting Matthew at 203.699.9662. Email inquiries may be sent to matthew.butler@elitecapgroup.com.

Participation or Interest in Client Transactions - Personal Securities Transactions

Elite and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Elite 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 for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Elite's clients. In addition, the Code requires pre-clearance of many transactions. 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 monitored under the Code of Ethics and designed to reasonably prevent conflicts of interest between Elite and its clients.

Participation or Interest in Client Transactions - Financial Interest and Principal/Agency Cross

Elite and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Elite's policy that the Firm will not effect any principal or agency cross securities transactions for client accounts. Elite will also not cross trades between client accounts.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

Soft dollar practices are arrangements whereby an investment adviser directs transactions to a broker-dealer in exchange for certain products and services that are allowable under SEC rules. Client commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(e) of the Exchange Act of 1934. Section 28(e) sets forth a "safe harbor," which provides that an investment adviser that has discretion over a client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available if the adviser determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker-dealer.

Elite does not currently have any soft dollar benefit arrangements.

However, the firm does receive a monetary benefit from its custodian, Charles Schwab. The benefits were given as a "Client Benefit" for Elite to use toward its technology expenses. This creates a conflict of interest as it could cause Elite to continue to choose Charles Schwab as its custodian on the basis of benefits received rather than the cost and quality of its custodial and brokerage services.

Brokerage for Client Referrals

Elite does not receive client referrals from broker/dealers.

Directed Brokerage

While not routine, clients may come to Elite with an existing brokerage relationship and direct Elite to execute their trades through that broker/dealer. Clients normally negotiate commissions directly with their broker/dealer. Elite will not seek better execution services or prices from other brokers/dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case.

If a client does not have an existing relationship with a broker/dealer, Elite may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms. Elite shall direct such transactions through broker-dealers that Elite reasonably believes will provide best execution. Elite shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

Elite may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Elite may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Elite is independently owned and operated and not affiliated with Schwab.

Schwab provides Elite with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis **and are not otherwise contingent upon Elite committing to Schwab any specific amount of business** (assets in custody or trading).

For Elite's client accounts maintained there, Schwab is compensated through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to Elite's fees.

Directed Brokerage - Other Economic Benefits

As Elite may recommend certain broker/dealers to clients, Elite may receive some non-monetary economic benefit, which it would not otherwise receive if not for those referrals. As described above, Elite generally trades on the Schwab platform. While there is no direct linkage between the investment advice given and use of the Schwab platform, economic benefits are received. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk serving Schwab platform participants exclusively, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client account, access for a fee, to an electronic communications network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab also provides Elite with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon Elite committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Elite client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Elite other products and services that benefit Elite but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Elite's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Elite in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Elite's fees from its clients' accounts; and (v) assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help Elite manage and further develop its business enterprise. These services may include: (i) compliance, legal and

business consulting; (ii) publications and conferences on practice management and business succession; (iii) access to employee benefits providers, human capital consultants and insurance providers; (iv) financial assistance for use toward Elite's technology expenses. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Elite. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Elite personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Elite may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

Trade Aggregation

Occasionally a trade is aggregated for multiple accounts. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security.

As a matter of policy, Elite's allocation procedure must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for Elite or its employees will not be included in a block trade with client accounts.

Item 13: Review of Accounts

Reviews

Matthew Butler, Managing Principal, is responsible for overseeing all reviews. Portfolios are frequently monitored and reviewed informally, and formally reviewed each quarter.

Reviews may occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at Matthew Butler's discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results, asset allocation, and technical erosion or strength, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

Elite encourages frequent client contact but will seek out contact no less than monthly. Clients are obligated to promptly notify Elite of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

Reporting

Clients receive holding and activity reports at least monthly from qualified custodians. Elite also prepares monthly, quarterly, and annual reports and communications related to investment advisory services provided or as may be requested by clients. Clients also have 24/7 access to Elite's accounting & reporting platform.

Item 14: Client Referrals and Other Compensation

Other Compensation

Elite does not receive any formal economic benefits (other than normal compensation) from any firm or individual for providing investment advice.

Other Compensation - Brokerage Arrangements

See disclosure in Item 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

Compensation - Client Referrals - Solicitation Arrangement

From time-to-time Elite may pay for client referrals. Such referral agreements and the related activities will be in compliance with Rule 206(4)-3 under the Advisers Act. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser prior to the payment of a cash fee directly or indirectly, for a client solicitation or referral. All fee sharing arrangements will be disclosed to the client and Elite's fee will remain the same regardless of whether a fee is paid to a solicitor.

Item 15: Custody

Custody - Fee Debiting

Clients may authorize Elite (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank, or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Elite. The custodian is advised in writing of the limitation of Elite's access to the account. The custodian sends a statement to the client, at least monthly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Elite.

Custody - Account Statements

As described above and in Item 13, clients receive at least monthly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Elite provides. Elite statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Through the investment management agreement, Elite may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Elite to execute trades on behalf of clients.

When such limited powers exist between the Elite and the client, Elite has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Elite may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Elite in writing.

Elite consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Item 17: Voting Client Securities

Elite votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

Upon execution of the client Agreement, the client elects to:

- Assign the responsibility for voting all proxies solicited by issuers of securities held in the Portfolio to Elite, or
- Retain the responsibility for voting all proxies solicited by issuers of securities held in the Portfolio. See disclosures above regarding proxies voted by clients.

When the responsibility to vote proxies has been assigned to Elite, the firm's utmost concern is that all decisions be made solely in the best interest of the client. Elite will act in a prudent and diligent manner intended to enhance the economic value of the assets of the client's portfolio.

The Chief Compliance Officer is ultimately responsible for ensuring that all proxies received by Elite are voted in a timely manner and in a manner consistent with Elite's determination of the client's best interests. Although many proxy proposals can be voted in accordance with Elite's established guidelines, Elite recognizes that some proposals require special consideration, which may dictate that Elite makes an exception to the guidelines.

Clients may direct Elite's vote; direction must be received in writing.

Clients may contact Matthew P. Butler at 203.699.9662 for information about Elite's Proxy policies. Email inquiries may be sent to matthew.butler@elitecapgroup.com. Clients may also request information about how Elite voted any proxies on behalf of their account(s).

Item 18: Financial Information

Elite 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.

Elite is not required to provide a balance sheet; Elite does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.