



# GIPS® Compliance

Control Date : 07/14/2023

## Contact Us:



Rhonda L. Ducote, AIF®  
Chief Compliance Officer  
rhonda@apriem.com



Main Office  
19200 Von Karman Ave  
Ste. 1050  
Irvine, CA 92612



(949) 253-8888 phone  
(949) 253-8891 fax  
(888) 253-0288 toll-free



[www.Apriem.com](http://www.Apriem.com)



GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Apriem Advisors** • 19200 Von Karman Avenue, Suite 1050, Irvine, CA 92612 • [www.Apriem.com](http://www.Apriem.com)

## GIPS® Reports

---

- Please see Appendix A for Apriem's GIPS® Reports.
- Apriem claims compliance with the Global Investment Performance Standards (GIPS®). The firm's GIPS® Reports and/or the firm's list of composite descriptions are available upon request. Please send requests to Rhonda Ducote at [rhonda@apriem.com](mailto:rhonda@apriem.com) or send us a mail at 19200 Von Karman Ave., Ste. 1050, Irvine, CA 92612.

## WHAT ARE GIPS® STANDARDS?

---

An excerpt from the CFA Institute's [www.GIPSStandards.org](http://www.GIPSStandards.org)

### GIPS® Standards?

- GIPS® standards are a globally accepted methodology for calculating and presenting investment firms' performance history that are widely relied upon by investment firms, their clients, and prospective clients for ensuring consistency of investment firm results.
- For more information about the GIPS® standards, visit [www.gipsstandards.org](http://www.gipsstandards.org)

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

# WHY COMPLIANCE MATTERS FOR INVESTORS

<https://www.gipsstandards.org/benefits/benefits-for-prospective-clients-and-investors/>

- The GIPS® standards were designed to provide assurance for investors who want reliable performance metrics based on the principles of fair representation and full disclosure.

## Why GIPS® Compliance Matters

### GLOBAL.

The GIPS standards are a rigorous set of investment performance measurement standards adopted in 37 countries and recognized around the world for their unparalleled credibility, integrity, scope, and uniformity, enabling direct comparability of a firm's track record.

### TRUST.

GIPS compliant firms voluntarily go beyond legal reporting requirements to demonstrate a commitment to open, honest, and ethical practices.

### FULL DISCLOSURE.

The thoroughness of the GIPS standards and the requirement for composite reporting greatly improves transparency by eliminating survivorship biases, misrepresentations, and omissions of historical data.

### CURRENT.

The GIPS standards evolve to address issues that arise in the dynamic investment industry.

### CONFIDENCE.

Compliance creates a tangible incentive for firms to invest significant time and resources into internal risk-control mechanisms and the setting of performance benchmarks—the hallmarks of reliable long-term success.

To claim compliance, an investment firm must demonstrate adherence to comprehensive and rigorous rules governing input data, calculation methodology, composite construction, disclosures, and presentation and reporting.

For more information, please visit: [www.gipsstandards.org](http://www.gipsstandards.org).

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Why GIPS® Compliance Matters

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

# WHAT DOES THIS MEAN TO YOU

An excerpt from the CFA Institute's [www.GIPSStandards.org](http://www.GIPSStandards.org)

- As an investor, you can rely on the performance presentations given to you by GIPS®-compliant firms. Claiming compliance with the GIPS® standards demonstrates a firm-wide commitment to ethical best practices and that the firm employs strong internal control processes.
- Confidence in the integrity of presentations from compliant firms and the ability to compare performance across different firms.
- If a firm does not comply with the GIPS® standards, you might want to explore why the firm has chosen not to comply.
- To learn more: <https://www.gipsstandards.org/benefits/>

## GIPS® Compliance & Verification

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## WHAT IS VERIFICATION?

---

- Verification is the review of an investment management firm's performance measurement processes and procedures by an independent third-party verifier. Specifically, verification assesses whether the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis. It also tests whether the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

## BENEFITS OF VERIFICATION

---

- Third-party verification brings additional credibility to the claim of compliance and supports the overall guiding principles of the GIPS® standards: fair representation and full disclosure of a firm's investment performance.
- Verification is intended to provide a firm and its existing and prospective clients with additional confidence in the firm's claim of compliance.

# APRIEM ADVISORS

## GIPS® STANDARDS POLICIES

---

- Apriem's GIPS® Standards Policies are available upon request.
- Apriem has retained Longs Peak Advisory Services ("Longs Peak") to help stay informed of changes to the GIPS® standards. On Apriem's behalf, Longs Peak stays informed and is also responsible for completing and submitting the GIPS® Notification form to CFA Institute prior to 30 June each year on behalf of Apriem.
- Apriem has retained ACA Compliance Group, an independent verification firm to assess whether the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis.

## GIPS® Compliance & Verification

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.



Attachment A:  
GIPS® Reports

A photograph of a dark grey spiral-bound notebook with the Apriem Advisors logo embossed on the cover. A silver and black pen lies on the notebook. The background is a light-colored surface.

# GIPS® Report



Year End	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Portfolios	Composite Returns Gross	Composite Returns Net	Custom Blended Benchmark Returns	Composite Dispersion	Composite 3-Yr Std Dev	Custom Blended Benchmark 3-Yr Std Dev
2022*	862	0.02	≤5	-1.56%	-1.81%	-1.51%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>

NA<sup>1</sup> - Composite dispersion is not presented for periods with five or fewer portfolios in the composite for the entire year.

NA<sup>2</sup> - The three-year annualized standard deviation is not presented for periods before 36 consecutive months of data is available.

\* Performance is for a partial period from September 1, 2022 to December 31, 2022.

Period - As of 12/31/2022	Gross Returns	Net Returns	Custom Blended Benchmark Returns
Since-Inception	-1.56%	-1.81%	-1.51%

\*Since-inception performance is calculated for the period beginning September 1, 2022.

\*Performance is annualized for periods greater than 1 year.

***FAM Moderate Composite:*** The Foundational Account Management (FAM) Moderate Composite seeks long term growth of capital with a balanced consideration for income. Will utilize mainly domestic and international equity-based ETFs as well as a modest allocation to fixed income ETFs and cash. With a target allocation of 75% equities, 21% fixed income, and 4% cash. Key material risks include the risk that strategy asset values may decline and that the composite may underperform its benchmark. Fixed income securities are subject to interest rate risk that could influence the value of funds. The FAM Moderate composite is compared against a custom blended benchmark comprised of 37.5% S&P 500 Index / 37.5% MSCI ACWI / 21% Bloomberg U.S. Aggregate Bond Index / 4% ICE BofA US 3-Month Treasury Bill Index. The custom benchmark is calculated by weighting the respective index returns on a daily basis. The FAM Moderate composite has a minimum of \$1,000. The FAM Moderate composite was created in August 2022 and incepted on September 1, 2022.

Apriem Advisors ("Apriem") is a registered investment adviser with the United States Securities and Exchange Commission, in accordance with the Investment Advisers Act of 1940. The firm's full list of composite descriptions is available upon request.

Apriem claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Apriem has been independently verified for the periods December 31, 2010 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. For all periods, composite policy requires the temporary removal of any portfolio incurring an aggregation of client-initiated significant cash inflow or outflow of at least 20% of portfolio assets. Composite and benchmark performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Past performance is not indicative of future results. Returns include the reinvestment of all income.

The currency used to express performance is USD. Gross-of-fee returns are reduced by trading costs. Net-of-fee returns are calculated using a model fee of 0.75%. The model fee was calculated by reducing gross returns by the maximum fee charged any account in the composite for the respective period. Composite dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios included in the composite for the full year. The 3-year annualized standard deviation measures the variability of the composite gross returns and benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for the composite is 0.75%. Actual investment advisory fees incurred by clients are negotiable and may vary.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Benchmarks:**

**S&P 500 Index** - The S&P 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

**MSCI All Country World Index (MSCI ACWI)** - The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

**Bloomberg U.S. Aggregate Bond Index** - The Bloomberg Barclays U.S. Aggregate Bond Index is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States.

**ICE BofA US 3-Month Treasury Bill Index** - The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. As of July 4, 2022, the index is reduced by transaction costs.

Year End	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Portfolios	Composite Returns Gross	Composite Returns Net	Custom Blended Benchmark Returns	Composite Dispersion	Composite 3-Yr Std Dev	Custom Blended Benchmark 3-Yr Std Dev
2022	862	0.05	8	-16.39%	-17.02%	-17.42%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
2021*	1,008	0.02	≤5	6.51%	6.31%	8.20%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>

NA<sup>1</sup> - Composite dispersion is not presented for periods with five or fewer portfolios in the composite for the entire year.

NA<sup>2</sup> - The three-year annualized standard deviation is not presented for periods before 36 consecutive months of data is available.

\* Performance is for a partial period from October 1, 2021 to December 31, 2021.

Period - As of 12/31/2022	Gross Returns	Net Returns	Custom Blended Benchmark Returns
1-Year	-16.39%	-17.02%	-17.42%
Since-Inception	-8.86%	-9.54%	-8.61%

\*Since-inception performance is calculated for the period beginning October 1, 2021.

\*Performance is annualized for periods greater than 1 year.

***FAM Aggressive Composite:*** *The Foundational Account Management (FAM) Aggressive Composite seeks long term growth of capital with no consideration for income. Will utilize mainly domestic and international equity-based ETFs and cash. With a target allocation of 96% equities and 4% cash. Key material risks include the risk that strategy asset values may decline and that the composite may underperform its benchmark. The FAM Aggressive composite is compared against a custom blended benchmark comprised of 48% S&P 500 Index / 48% MSCI ACWI / 4% ICE BofA US 3-Month Treasury Bill Index. The custom benchmark is calculated by weighting the respective index returns on a daily basis. The FAM Aggressive composite has a minimum of \$1,000. The FAM Aggressive composite was created in September 2021 and inception on October 1, 2021.*

Apriem Advisors ("Apriem") is a registered investment adviser with the United States Securities and Exchange Commission, in accordance with the Investment Advisers Act of 1940. The firm's full list of composite descriptions is available upon request.

Apriem claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Apriem has been independently verified for the periods December 31, 2010 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. For all periods, composite policy requires the temporary removal of any portfolio incurring an aggregation of client-initiated significant cash inflow or outflow of at least 20% of portfolio assets. Composite and benchmark performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains.

Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results. Returns include the reinvestment of all income.

The currency used to express performance is USD. Gross-of-fee returns are reduced by trading costs. Net-of-fee returns are calculated using a model fee of 0.75%. The model fee was calculated by reducing gross returns by the maximum fee charged any account in the composite for the respective period. Composite dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios included in the composite for the full year. The 3-year annualized standard deviation measures the variability of the composite gross returns and benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for the composite is 0.75%. Actual investment advisory fees incurred by clients are negotiable and may vary.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Benchmarks:**

**S&P 500 Index** - The S&P 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

**MSCI All Country World Index (MSCI ACWI)** - The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

**ICE BofA US 3-Month Treasury Bill Index** - The ICE BofA 3 Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month that issue is sold and rolled into a newly selected issue. As of July 4, 2022, the index is reduced by transaction costs.