
Sherwood Investments

Financial Planning & Investment Management

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PRIVACY STATEMENT MATERIAL NON-PUBLIC POLICY (INSIDER TRADING) and MANAGEMENT FEES

Sherwood Investments is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf. Such disclosures are made only to parties who understand that they have an obligation to treat the information as confidential. However, these parties might not be bound by the same confidentiality requirement that binds *Sherwood Investments*.

Your personal information may be disclosed as required by law or to defend our actions. We share the information necessary to execute financial transactions on your behalf with the custodian of your securities, Charles Schwab, or other brokerage firms that we deal with to purchase and sell securities on your behalf. Your personal information is never discussed in public places, such as elevators. We do not provide your personal information to mailing list vendors or solicitors.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

Our office network is protected from malicious Internet attacks by a firewall and is frequently updated with the latest threat-prevention algorithms. Access to the PC network is allowed only to authorize users with a valid account and password and our passwords meet strict complexity requirements. All PCs and servers are protected with anti-virus and anti-spyware software which are automatically updated daily.

Our secure web server is hosted outside of Sherwood Investments' network and does not contain any client data of any nature and therefore does not represent a threat to your personal information even in the unlikely event of a compromise in web security. Website data is backed up daily to an off-site

location. All data backups are encrypted with 448-bit Blowfish encryption prior to transfer and sent through a secure 128-bit Secure Socket Layer SSL tunnel to the off-site backup datacenter. All traffic to and from our web site is protected via industry-standard SSL encryption.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. Our full *Privacy Statement* is delivered to you annually, as required by law.

Material Non-Public Policy (Insider Trading)

Insider trading occurs when any person purchases or sells a security while in possession of inside information relating to the security. Inside information is information which is both “material” and “non-public.” Insider trading is a crime.

We do not disclose any material, inside information we might obtain. This means we do not pass this information on to our clients, family or friends and we do not act on it for our own profit or for others’ profit.

What This Means – Summary

We use state-of-the-art security measures to protect the privacy of all stored and transmitted data. We do not disclose your personal information to others except as required to provide our services which you have contracted or as required by law. All information remains confidential. We do not disclose or sell any personal information about our clients, former clients, or prospects to anyone, except with their permission or as required by law. All information given to us is used strictly for administrative purposes and to help you achieve your objectives.

We do not disclose any material information which could lead to or give the appearance of insider trading.

Our Management Fees

The custodian for your account is Charles Schwab. *Sherwood Investments* and Charles Schwab are independently owned and operated and are not affiliated with each other. For many years, we have provided our fee calculations to Charles Schwab so that they can bill you directly. This process will continue. You should compare the fees billed by us through your custodian Charles Schwab with the agreed fees specified in the *Sherwood Investments Letter of Agreement*. (The fees appear on your monthly statements. In many cases, only one account is billed for all accounts in your household.) In the event that the management fees that we bill do not match what you feel should be billed, please contact us immediately. If you are having any other party manage any portion of your money, we strongly suggest you review their fees.