

CARLTON ADVISORS, LLC

INITIAL NOTICE OF PRIVACY PRACTICES

Carlton Advisors, LLC, an investment advisory firm, is committed to safeguarding the confidential information of its clients. We do collect nonpublic personal information in order to open and administer your accounts with us and to provide you with accurate and pertinent advice. We hold all nonpublic personal information you provide to us in the strictest confidence. If we were to change our firm policy, we would be prohibited under the law from doing so without advising you first.

Carlton Advisors, LLC collects personal information about you from the following sources:

- Applications or other forms.
- Discussions with unaffiliated third parties.
- Information about your transactions with us or others.
- Questionnaires.
- Tax Returns.
- Estate Planning Documents.

Carlton Advisors, LLC uses your personal information in the following manner:

- We do not sell your personal information to anyone.
- We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer.)
- We will provide notice of changes in our information sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so you will have the opportunity to opt out of such disclosure.

- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws. After this required period of record retention, all such information will be destroyed.

CARLTON ADVISORS, LLC

ANNUAL NOTICE OF PRIVACY PRACTICES

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PRIVACY PROCEDURES

These privacy procedures ("Privacy Procedures") of Carlton Advisors, LLC (the "Advisor") are designed to ensure the Advisor protects the security, confidentiality, and integrity of non-public, personal client information.

Purpose of Procedures

These procedures are designed to:

1. Ensure the security and confidentiality of client information;
2. Protect against any anticipated threats or hazards to the security or integrity of client records and other client information; and
3. Protect against unauthorized access to, or use of, client information that could result in substantial harm or inconvenience to any client.

Compliance Officer

The Compliance Officer of the Advisor shall have the overall responsibility for the Privacy Procedures and the Advisor's compliance with the Procedures. The Compliance Officer shall implement, or cause to be implemented, the securities measures described below.

Privacy Notice

Advisor maintains an updated privacy notice, which is included in its compliance manual. The Privacy Notice describes what nonpublic personal information the Advisor collects, how the Advisor protects the nonpublic personal information, and how the Advisor shares the nonpublic personal information. The Privacy Notice also references the policies and procedures adopted by the Advisor to protect client information, which are the subject of this document.

Privacy Notice Delivery

A copy of the Privacy Notice shall be provided to:

1. Each individual who becomes a client (customer under the definition of Regulation S-P) of the Advisor not later than the establishment of the advisory relationship, unless providing notice at such time would substantially delay the client's transaction and the client agrees to receive the notice at a later time. In such a case the Privacy Notice shall be provided within a reasonable time after establishment of the client relationship; and

2. Existing clients each calendar year.

Security Measures

The following securities measures will be implemented and maintained to protect the confidentiality of client information:

Employees

1. The Compliance Officer shall identify and maintain a list of specific employees who are authorized to have access to client information for legitimate business purposes and limitation of access to those persons;
2. The Advisor will implement and maintain controls designed to prevent employees from providing client information to unauthorized individuals who may seek to obtain this information through fraudulent means;
3. Employees are required to execute an acknowledgement form following review of these Privacy Procedures;
4. The Compliance Officer shall conduct an annual training program designed to ensure that employees are aware of, and comply with, these Privacy Procedures; and
5. Advisor will implement and maintain control procedures that segregate employees who are allowed access to client information from those who are not allowed such access.

Encryption

Advisor will encrypt electronic client information while in transit or in storage on networks or systems to which unauthorized individuals may have access. The Advisor's website and certain other electronic files will be encrypted.

Physical Records

Physical safeguards will be put in place to protect non-public personal information that is in hard copy against destruction, loss, or damage due to potential environmental hazards, such as fire and water damage or technological failures.

Firewalls

1. If applicable, electronic files containing client information will operate under a "lock out" system whereby three failed attempts to log-on results in shutdown; the system will only be re-enabled after verification of the user by security personnel;
2. Logon identifications will be issued only with specific access authorizations;

3. Passwords will be changed every ninety days;
4. Internal systems will regulate to ensure that only authorized Advisor personnel can access the information contained in the system;
5. Website servers used to gather and transmit personal data will be stored in secure and environmentally controlled locations; and
6. Computer systems will be equipped to provide warnings of possible attacks or intrusions into information systems, accompanied by response mechanisms that take appropriate action when unauthorized access to protected information is suspected or detected.

Testing

The above-referenced security measures shall be tested on an annual basis.

Sharing Client Information with Third Parties

No nonpublic personal information of a client may be provided to a nonaffiliated third party service provider until the Compliance Officer has determined that there is a contractual agreement prohibiting the third party from disclosing or using the information other than to carry out the purposes for which the information is to be disclosed.

The Compliance Officer shall require each service provider by contract to implement appropriate measures designed to meet the objectives of these procedures and shall monitor its compliance and no service provider may be retained without the approval of the Compliance Officer.

Reports

The Compliance Officer shall report to the principals of Advisor on the condition and status of the Privacy Procedures not less frequently than annually. An employee shall report any breaches or violations of this Privacy Procedures to the Compliance Officer.