

Please circle the correct answers to the following 15 questions to take The Challenge. The answers are reviewed at [this class](#) led by Cathy Vasilev accredited by CFP Board, NASBA, and IWI.

1. You are required to deliver Form CRS to new clients:

- A. When you first talk to a client.
- B. When you first meet with the client.
- C. At time of any recommendation.
- D. At or before contract signing.

2. When are you required to deliver Form CRS to existing clients?

- A. Upon opening a new account different from a client's existing account(s).
- B. Upon recommending that the client roll over assets from a retirement account into a new or existing account or investment.
- C. Upon recommending or providing a new advisory service or an investment that does not necessarily involve the opening of a new account and would not be held in an existing account.
- D. A and B but not C
- E. A, B and C.

3. What does an investment adviser's duty of care consist of?

- A. The duty to provide advice in the best interest of clients.
- B. The duty to seek best execution of client transactions.
- C. The duty to seek low expense investments and third-party managers
- D. The duty to provide advice and monitoring over the course of the advisory relationship.
- E. A, B, and C
- F. A, B, and D

4. What areas should your Cybersecurity Policy include?

- A. Vendor oversight
- B. Climate Change
- C. Both A and B
- D. Neither A nor B

5. Which of the following is required to be reported on your U-4?

- A. Sitting on the Board of a non-profit.
- B. Volunteering for the Red Cross.
- C. Creating a new LLC.
- D. A and C.
- E. B and C

6. What are your anti-money laundering responsibilities?

- A. I do not have any because I am not a broker-dealer.
- B. I must know my client.
- C. I do not have to look for suspicious activity.
- D. I must have a robust AML program just like a broker-dealer.

7.What components must be addressed by your compliance program?

- A. Consistent and adequate disclosures
- B. Advertising
- C. Proxy Voting
- D. Both B & C
- E. A, B and Ce

8. Which of the following are RAUM that must be reported in Forms ADV Part I and Part 2A (Firm Brochure)?

- A. 401K plans that you do not trade.
- B. Fixed annuities
- C. Accounts you manage on a discretionary basis.
- D. Accounts that you consult on twice a year.

9. What can you charge an AUM fee for managing?

- A. Cash balances requested by the client
- B. Fixed annuities
- C. Alternative investment products
- D. Portfolios made up of stocks and bonds

10. Which of the following would be considered in the client's best interests?

- A. Rebalancing accounts that incur short term redemption fees.
- B. Selecting products based on the investment objectives and risk tolerance of the client.
- C. Not disclosing mark-ups that client have to pay for trading.
- D. Buying share classes that charge a 12b-1 fee.
- E. All of the above

11. Does the Form CRS need to be posted on your website?

- A. Yes
- B. No

12. What is required to be addressed by your cyber training?

- A. Cyber Risks and Responsibilities
- B. Ransomware
- C. Phishing
- D. Just B and C
- E. A, B and C

13. How often must you review your compliance program to ascertain its effectiveness?

- A. Bi-annually
- B. Annually
- C. Quarterly
- D. When anything changes.

14. ADV Part I and Part 2A (Firm Brochure) are required to be updated:

- A. Annually
- B. When my address changes
- C. If my fee schedule changes
- D. Both A and B
- E. A, B and C

15. During the process of reviewing the firm's compliance policy, I am required to review the following:

- A. Any compliance matters that arose during the previous year
- B. Any changes in the business activities of the adviser or the firm's affiliates
- C. Any changes in regulations that might suggest a need to revise the firm's policies, procedures or practices
- D. Both B and C
- E. A, B and C