

December 28, 2017

**Re: Advance Management Fee Payment**

Dear Client,

In the light of the new federal tax code overhaul, some of you may have been advised by your accountants or favorite TV pundits to pay your investment management fees before December 31<sup>st</sup>, 2017, since this fee will no longer be deductible under the new tax code. Stevens First Principles (SFP) has never solicited or accepted fees in advance due to our agreement with SEC as noted in our annual ADV Form.

Investment advisors who accept fees in excess of \$1,200 more than six months in advance are required to provide audited financial statements which, in my opinion, are extremely costly and would necessitate us to pass along those costs to our clients. We want to keep our fee structure fair and reasonable so we don't collect fees in advance to save audit costs and fees. Moreover, as a registered investment advisor, we are required to disclose information in regards to advance payments in our annual ADV filing which SFP does not do since we don't accept advance payments.

Unfortunately, we are not able to accept advance payment for management fees as this would cause us to be in violation of SEC rules. I'm sure many advisors other than us are not disclosing this. We are very diligent in our efforts to stay in compliance. At SFP, we pride ourselves in providing superior customer service.

On behalf of all of us at SFP, I would like to thank you for your confidence in us and wish you a Happy New Year. Greetings from Cartagena.

Best regards,

Steven Lee Yamshon  
Investment Counsel