WAVERLY

ADVISORS

Form ADV Part 2A, Brochure
April 26, 2024

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This brochure ("***Brochure***") provides information about the qualifications and business practices of Waverly Advisors, LLC (**"Adviser",** "***our***", "***we***"). **If you have any questions about the contents of this brochure, please contact Markus R. F. Sleuwen, JD, IACCP®, Chief Compliance Office**r, at (205) 871-3334 or markus.sleuwen@waverly-advisors.com. References in this Brochure to "***including***" or "***includes***" mean including or includes, in each case, without limitation.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("***SEC***"**)** or by any state securities authority. References herein to Adviser as a "registered investment adviser" or any reference to being "registered" (with the SEC or a state regulatory authority) does not imply a certain level of skill, training, or expertise.

All of our prospective or existing clients should review this Brochure in conjunction with our separate brochure supplement ("***Supplement***") regarding the qualifications and background of certain of our supervised person(s) interacting with our prospective or existing clients on our behalf or otherwise participating in the advisory services provided to our clients.

Additional information about Adviser (or any supervised persons who are investment adviser representatives of Adviser) is also available on the SEC's website at www.adviserinfo.sec.gov.

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at http://www.sec.gov/about/forms/formadv.pdf.

SEC File Number: 801 – 60741

Item 2 Material Changes

This Brochure is our disclosure document prepared according to applicable law. Consistent with the applicable law, Adviser will send to our clients, within 120 days of the close of our business' fiscal year, a summary of any material changes to the Brochure (as amended from time to time) and, from time to time as required by applicable law, interim disclosures of any disclosable material changes.

The following are the Material Changes made to the Brochure since our last annual Brochure disclosure filing of March 31, 2023.

Date	Material Changes
April 28, 2023	**Item 5** – Amended to indicate a new minimum fee level. **Item 10** – Amended to include disclosure regarding a new affiliate investment adviser/accounting firm.
March 28, 2024	Amended throughout to indicate the appointment of our **new Chief Compliance Officer, Markus R. F. Sleuwen, JD, IACCP®**. **Item 4** – Amendment relates to the description of our investment advisory services, the types of securities subject to our services, our affiliated private investment funds, the cash sweep feature to which some accounts are subject, and our increase in the value of our total regulatory assets under management. **Items 5, 12, and 14** – Amendment relates to the inclusion of Raymond James and Trade-PMR as our additional institutional custodians. **Item 5** – Amendment relates to the description of our Adviser Fee for Investment Management Services and Advisement Services, our Financial Planning Fee, our fees for retirement plan consulting, investment advisory, fiduciary, and retirement plan participant education services, as well as retirement plan services through the Fidelity Connect program, and multiple fee related disclosures. **Item 6** – Amendment relates to the description of our Performance-Based Fees, which are not applicable, except in the context of private investment funds. **Item 8** – Amendment relates to the description of (1) our methods of analysis, including a description of the risks relevant to our methods of analysis, (2) our investment strategies, (3) the risks relevant to the various investment instruments that we recommend or manage, including relating to alternative invests such as options, ESG strategies, digital assets, interval funds, and private offerings, (4) key risks generally applicable to securities in the context of investments, (5) concentration risks in client portfolios, and (6) operations risk to which investment advisory firms, such as Waverly, are subject. **Item 10** – Amendment relates to the description of the various affiliations of Waverly or our supervised persons, including with a commodity pool operator, with private investment funds, with accounting firms, with a law firm, with promoters, with a donor advised fund, and with a national trust company, and the conflicts of interest that relate to such affiliations, legal and CPO/CTA affiliates. **Item 12** – Amendment relates to the description of our brokerage practices, including research and benefits, best execution, order aggregation, allocation of trades, securities allocations, trading errors and unsolicited trades. **Item 13** – Amendment relates to the review of client accounts, including scope and timing of reviews. **Item 14** – Amendment relates to client referrals and other compensation, including promoter arrangements, paid advertising for client referrals, and cross-referrals. **Item 15** – Amendment relates to our custody of certain assets and our practices relative to the same. **Item 16** – Amendment relates to our investment discretion, including a description of our discretionary and non-discretionary services.
April 26, 2024	**Item 4** – Amendment relates to our assumed name of McShane Partners in connection with certain of our investment advisory operations in North Carolina, and the increase in the value of our total regulatory assets under management

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Item 4 Advisory Business

4(A) Description of your Investment Advisory Firm

Adviser is a limited liability company that was organized on July 1, 1999, under the laws of the State of Alabama. Adviser became registered as an investment advisory firm in Alabama on November 23, 1999, and as a federally registered investment adviser under the Investment Advisers Act of 1940, as amended, ("***Advisers Act***") and is regulated by the SEC on November 30, 2001. Adviser has changed its name several times since its original organization. Its current name, Waverly Advisors, LLC, was adopted as of October 10, 2022. McShane Partners is an assumed name of Adviser. Adviser uses the McShane Partners trade name in connection with the investment advisory services of some of its investment adviser representatives based in North Carolina. Adviser is owned by WAAM Parent, LLC. WAAM Parent, LLC has multiple owners. HGCC Fund IV-A, L.P. holds, indirectly, through its ownership interests in Aspire Holdings, LLC, Project Charlie Acquisitions, LLC and WAAM Topco, LLC, more than 25% of the ownership interests of Adviser. Our Chief Executive Officer is Joshua L. Reidinger, and our President is Justin T. Russell. Adviser is a fee-only investment advisory firm, offering investment management, financial planning, and consulting services.

As discussed below, Adviser services include investment advisory services, financial planning and related consulting services.

Adviser has an Investment Committee. The Investment Committee meets periodically to review and make decisions with respect to various investment related matters, including investment strategies, best execution, securities valuation and alternative investments.

4(B) Description of Investment Advisory Services Offered

(1) Advisory Services

As a federally registered investment adviser, Adviser, as well as our investment adviser representatives, serve our Clients in a fiduciary capacity. We are required to act in the best interest of our clients and not put our own interests ahead of those of our clients.

Assets Under Management and Assets Under Advisement

Adviser provides investment supervisory or investment management services ("***Investment Management Services***") with respect to those accounts of a client for which Adviser is engaged to provide Investment Management Services pursuant to an investment advisory service agreement between Adviser and such client ("***Investment Advisory Agreement***") and which are held at Adviser's Institutional Custodians (the assets in such accounts being referred to as "***Assets Under Management***"). Investment Management Services include our continuous and regular supervision of Assets Under Management.

Adviser provides periodic investment analysis of, and allocation recommendations with respect to, ("***Advisement Services***") those accounts of a client for which Adviser is engaged to provide Advisement Services pursuant to an Investment Advisory Agreement and which often are held at broker-dealers or other custodians ("**Custodians**") other than Adviser's Institutional Custodians (the assets in such accounts being referred to as "***Assets Under Advisement***"). The supervision of Assets Under Advisement is not continuous and regular.

Adviser generally has no trading authority or discretion (see Item 16 – Discretionary Authority), with respect to Assets Under Advisement and is not responsible for arranging or effecting the purchase or sale of any Assets Under Advisement. Instead, each client with Assets Under Advisement, (and/or, if applicable, any investment professional other than Adviser engaged by such client as investment adviser with trading authority with respect to any of the Assets Under Advisement), and not Adviser, is solely responsible for directly implementing any recommendations made by Adviser relative to such Assets Under Advisement.

In the event that any client desires that Adviser provide discretionary Investment Management Services (whereby Adviser would have trading authority) with respect to any portion of any Assets Under Advisement, the client and Adviser must expressly agree, pursuant to an amendment of the Investment Advisory Agreement, that such portion of any Assets Under Advisement shall become Assets Under Management, which may require the transfer of any such portion of any Assets Under Advisement to an account at an Adviser Institutional Custodian.

Adviser provides discretionary and non-discretionary advisory services to portfolios comprising separately managed client accounts and pooled investments vehicles (including mutual funds, private investment funds or hedge funds). For separately managed accounts, investment decisions are based on factors, including a client's investment objective, overall or account-specific risk tolerances, net worth, net income, age, investment time horizon, income, liquidity, taxes, limitations on investment holdings, and other suitable factors. Sources of information used to develop investment recommendations include client questionnaire(s) and interview(s), review of client's current portfolio, client's personal financial plan, analysis of historical risk/return characteristics of various asset classes, analysis of the long-term outlook for global financial markets and analysis of the long-term global economic and political environments.

Each client works directly with one or more investment adviser representatives that are members of our investment advisory team and have been assigned to such client. These investment adviser representatives recommend specific investment strategies, based on such client's investment objectives, overall or account-specific risk tolerances and stated goals and needs.

Affiliated Private Investment Funds.

Directly Affiliated Funds

Adviser is directly affiliated with the following private investment funds: Haines Opportunity Portfolio II, LLC (Class A), HFA, Ltd. and HS Select I, LLC (together, the "***Directly Affiliated Funds***"), and the condensed descriptions of each are set forth below (the complete description of the terms and conditions for participation in, as well as certain conflicts of interest and risk factors with respect to, each Directly Affiliated Fund is set forth in each Directly Affiliated Fund's offering documents).

Haines Opportunity Portfolio II, LLC (Class A) – Adviser is the manager of, and investment adviser to, Haines Opportunity Portfolio II. This LLC seeks long-term capital appreciation with less dependence on market conditions. The Fund uses a select group of asset managers that employ primarily diversified equity-related investment strategies aimed at generating appropriate risk-adjusted returns.

HFA, Ltd – Adviser is general partner in, and investment adviser to, HFA, Ltd. The partnership exists to make direct investments in real estate.

HS Select I, LLC – Adviser is investment adviser to, and managing member of, HS Select I, LLC.

None of these Directly Affiliated Funds are open to new investors and all are currently winding down in connection with the liquidation of remaining assets. Adviser no longer recommends that clients allocate a portion of their investment assets to any of the Directly Affiliated Fund.

However, Adviser may recommend that clients allocate a portion of their investment assets to HS Select I, LLC (the third of these Directly Affiliated Funds) or any of the Indirectly Affiliated Funds noted below. Our clients are under absolutely no obligation to consider or make an investment in any Directly Affiliated Fund.

Indirectly Affiliated Funds

Adviser is also indirectly affiliated with (through its ownership of Waverly Funds Group, LLC), and serves as the investment adviser to, Waverly Opportunity Fund, LP, Waverly Opportunity Fund II, LP, BT Select Fund I, LP, Waverly Growth Fund I, LP, and Waverly Income Fund, LP (the "***Indirectly Affiliated Funds***"), privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940. Waverly Funds Group, LLC is the general partner of the Indirectly Affiliated Funds and is responsible for their overall management. As the investment manager of the Indirectly Affiliated Funds, Adviser is responsible for the management of the Indirectly Affiliated Funds' portfolios pursuant to the terms of the investment management agreements between itself and each of the Indirectly Affiliated Funds. Adviser has full discretionary authority with respect to the investment decisions for the Indirectly Affiliated Funds, and its advice is made in accordance with the investment objectives and guidelines as set forth in the Indirectly Affiliated Funds' confidential offering memorandums. . Our clients are under absolutely no obligation to consider or make an investment in any Indirectly Affiliated Fund.

Unaffiliated Private Investment Funds.

Adviser also provides investment advice regarding unaffiliated private investment funds ("***Unaffiliated Funds***"). Adviser, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in Unaffiliated Funds, which are described (their terms, conditions, risks, conflicts and fees, including incentive compensation) in the applicable Unaffiliated Fund's offering documents. Our role relative to Unaffiliated Funds is limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an Unaffiliated Funds investor, the amount of assets invested in such Unaffiliated Fund(s) shall be included as part of "assets under management" for purposes of our calculation of our Adviser Fee. Our Adviser Fee shall be in addition to the fees charged by any such Unaffiliated Fund. Adviser's clients are under absolutely no obligation to consider or make an investment in any Unaffiliated Fund.

Please Note: Conflict of Interest. Because Adviser and/or its affiliates earns compensation from the Directly Affiliated Funds or Indirectly Affiliated Funds (i.e., management fees, incentive compensation, etc.) that generally exceeds the fee that Adviser earns under its standard asset-based fee schedule referenced in Item 5 below, a recommendation to a client to invest in any of the Directly Affiliated Funds or Indirectly Affiliated Funds investor presents a conflict of interest. No client is under any obligation to become an investor in any of the Directly Affiliated Funds or Indirectly Affiliated Funds. Given the conflict of interest, Adviser advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming an investor in any of the Directly Affiliated Funds or Indirectly Affiliated Funds.

As an adviser to the Directly Affiliated Funds or Indirectly Affiliated Funds, Adviser provides investment advice to a private pooled vehicle that is invested according to each funds' governing documents. Investors in the Directly Affiliated Funds or Indirectly Affiliated Funds do not receive tailored investment advice related to their investment in any Directly Affiliated Funds or Indirectly Affiliated Funds.

(2) Types of Securities/Investments

Adviser provides Investment Management Services in relation to diverse types of securities/assets, including traditional investments and alternative investments. **Traditional Investments** typically include conventional stocks of publicly-traded companies, bonds or cash (or cash equivalents), as well as mutual funds or ETFs that invest in such traditional asset classes. Investments that are not strictly in traditional asset classes are often referred to as **Alternative Investments**. There are many different types of investments in this alternative investments category. Some are liquid; others are semi-liquid or illiquid. Alternative investments are capable of adding meaningful diversification to a portfolio of traditional investments, potentially reducing overall portfolio risk through low (or lower) correlation while enhancing long-term returns. Investments in alternative asset classes (whether direct or indirect through underlying funds) include futures, options, swaps, and insurance-linked securities, business development corporations (BDC), direct participation programs (DPP), interval funds, nontraded closed-end funds, private equity, venture capital, 1031 exchanges, Delaware statutory trusts (DST), opportunity zone qualified opportunity funds, nontraded preferred stock issued by REITs, hedge funds, private credit, mortgage related or other asset backed securities, hard assets or derivatives.

(3) Financial Planning

Financial Planning is defined in the Code and Standards of the CFP® Board as a "collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances" ("***Financial Planning***"). In other words, Financial Planning is a type of financial advice that requires certain collaboration and integration. Adviser provides Financial Planning only upon its receipt of a client's request to do so. Adviser may require its engagement to provide Financial Planning to be memorialized in a written financial planning agreement (***"Financial Planning Agreement***") that sets forth the terms of the engagement, including the specific scope of the services. Financial Planning may involve consultation, comprehensive or issue-based analysis or recommendations in various financial planning areas, including 1) financial position, 2) protection planning, 3) investment planning, 4) tax planning, 5) retirement planning, 6) estate planning. The scope of Financial Planning also extends to additional areas, including executive compensation, divorce planning or business planning.

Upon our engagement by a client to prepare a financial plan pursuant to a Financial Planning Agreement, Adviser will review the portion of the present financial situation of such client relevant to the engagement and, based on the stated objectives and needs of such client, provide a written report containing an analysis and recommendations. Neither Adviser nor its investment adviser representatives are responsible for undertaking the implementation of any recommendations made by Adviser to any client in connection with our Financial Planning services, unless engaged and expressly instructed to do so by such client. The Financial Planning services provided by Adviser are static, meaning that neither Adviser nor its investment adviser representatives are responsible for monitoring, making any updates to or supplementing any Financial Planning services after our delivery or presentation of the Financial Planning services, as the Financial Planning services are based solely upon data and information delivered to or obtained by Adviser in connection with our client's request for Financial Planning Services reasonably in advance of our development and completion of the originally requested Financial Planning services. If a client wishes for Financial Planning services previously delivered or presented by Adviser to be updated or supplemented, such client must make such request in writing and Adviser may require such engagement for an update or supplement to be memorialized in an additional Financial Planning Agreement.

<u>In the event that a prospective client does not wish to become an Investment Management Services or Advisement Services client of Adviser at the beginning of the relationship</u>, but wishes to receive (1) Financial Planning services, (2) financial advice that does not constitute Financial Planning and/or (3) consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.), Adviser may determine to provide any such services on a stand-alone separate fee basis.

If requested by the client, Adviser may recommend the services of other professionals for implementation purposes, including our representatives in their individual capacities as certified public accountants. (***See*** disclosure and descriptions of **<u>conflicts of interest</u>** at **Item 10 -** Other Financial Industry Activities and Affiliations). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Adviser.

<u>Please Note:</u> If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **<u>not</u>** Adviser, shall be responsible for the quality and competencyof the services provided. It remains the client's responsibility to promptly notify Adviser if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Adviser utilizes various software in connection with its analysis of financial planning relevant information and its provision of Financial Planning, including the subscription service of eMoney Advisor, LLC (an affiliate of Fidelity Investments) and Right Capital Inc.

(4) Financial Advice that is not Financial Planning

Financial advice relating to any area of a client's overall financial situation, that does not constitute Financial Planning, Investment Management Services or Advisement Services, falls within the scope of the Investment Advisory Agreement between Adviser and any client (therefore, every client that receives Investment Management Services or Advisement Services pursuant to an Investment Advisory Agreement is entitled to receive such limited financial advice, upon request, without the need to sign a separate agreement for such financial advice). Such limited financial advice may include a review of Assets Of Record for the informational purpose of gaining a more comprehensive perspective of a client's financial situation. "***Assets Of Record***" or "***AOR***" means those securities, cash or cash equivalents, or other financial, investment or insurance instruments, or related contracts, in each case, of a client, other than Assets Under Management or Assets Under Advisement, which a client has expressly identified to Adviser. **Please Note**: Adviser believes that it is important for each Investment Management Services or Advisement Services client of Adviser to raise any financial advice related issues of such client with Adviser on an ongoing basis and for Adviser to address the same. Except in extraordinary circumstances, as described in the preceding paragraph (6), our Adviser Fee, as set forth at Item 5- Fees and Compensation, will remain the same, whether or not the client raises any financial advice issues with Adviser.

Not every communication from Adviser to any client constitutes Financial Advice. Adviser provides informational or educational information, including through videos, podcasts, webinars, newsletters, articles and general marketing, which does not constitute advice, recommendations or Financial Advice.

(5) Wealth Management Service

Adviser may make available to clients a subscription ("***Subscription***") to third-party web-based wealth management financial information services ("***Wealth Management Service***") that provides real-time, on-demand, interactive financial experiences through Client accessible portals ("***Wealth Management Portals***"). Currently, the Wealth Management Portals utilize the financial planning service of eMoney Advisor, LLC (an affiliate of Fidelity Investments) and Right Capital, Inc. The Wealth Management Service may include Automatic Account Information Aggregation Service, Additional Manually Entered Information, Efficiencies, Reports, Collaboration, Online Vault and Mobile Access. The powerful interactive financial planning tools of the Wealth Management Service allow clients with a Subscription to access up-to-date information with respect to many of their financial investments and to generate multiple reports, some providing historical information and other projections. Clients that use the Wealth Management Service experience many benefits, including substantial savings of time from not needing to manually update lots of information and the simplification of understanding large quantities of interrelated data thanks to the logical arrangement and visually appealing presentation of such data in the form of reports. For example, the Wealth Management Service is able to create helpful projections of the long-term value of Assets Under Management, Assets Under Advisement or Assets Of Record by applying assumptions with respect to inflation, earning rates and tax rates.

(6) Additional Services

Services other than Investment Management Services, Advisement Services, Financial Planning or Financial Advice (described above in this Item 4), including business consulting relating to matters affecting any business of a client, require an additional agreement (which may be in the form of an exhibit to the Investment Advisory Agreement).

(7) Retirement Plan Consulting Services

Adviser offers retirement plan consulting services to various types of retirement plans, which may include profit sharing plans, employee stock ownership plans, employer participant-directed retirement plans, employer trustee-directed plans, and others. Collectively, Adviser considers these types of plans as a specific segment of clients and refers to these types of clients as "***Waverly retirement plan clients***".

<u>Employer Trustee-Directed Plans.</u>

Adviser may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby Adviser shall manage plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Adviser will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("***ERISA***"). Adviser will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the plan and Adviser.

Participant Directed Retirement Plans.

Adviser may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between Adviser and the plan. For such engagements, Adviser shall assist the plan sponsor with the selection of an investment platform from which plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Adviser), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.

Adviser gathers and review extensive information regarding each Adviser retirement plan client on an individualized basis, including the objectives and needs of each Adviser retirement plan client. Our retirement plan consulting services generally include plan feasibility, plan design, and/or plan review.

The scope of our retirement plan consulting services can be narrow or broad, depending on the terms of the specific engagement of Adviser pursuant to the applicable Investment Advisory Agreement for retirement plan consulting services. The following describes some of the services that Adviser is able to offer as part of its retirement plan consulting services.

- **Preparation of Investment Policy Statement ("IPS")**

  Adviser may meet with an Adviser retirement plan client to determine the relevant plan's investment needs and goals. If required by the Waverly retirement plan client, Waverly will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of the plan's investment options/vehicles and the procedures and timing interval for monitoring of investment performance.

- **Recommendation of Investment Options**

  Adviser will review various investments, consisting predominantly of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the IPS of Adviser retirement plan client. Upon the completion of our review process, Adviser will recommend to Adviser retirement plan client a specific number and type of investment options for inclusion in the plan's investment options.

- **Monitoring of Investment Performance**

  A plan's investment options will be monitored periodically based on the procedures and timing intervals delineated in the IPS or as otherwise set forth by Adviser retirement plan client. Adviser will supervise the plan portfolio and will make recommendations to Adviser retirement plan client as market factors and the plan's needs dictate.

- **Plan Performance Reporting**

  In conjunction with our monitoring activities, Adviser may also provide periodic reports regarding the performance of a pension plan and its underlying investment options. Such reports may include analysis from both Adviser as well as outside parties engaged by Adviser to provide additional analysis in regard to such plans. Such outside parties would be engaged exclusively by Adviser and not by an Adviser retirement plan client.

- **Employee Communications**

For Adviser retirement plan clients whose plans offer plan participants the ability to self-direct their own investments, Adviser may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by Waverly in conjunction with the Waverly retirement plan client under the appropriate ERISA guidelines. The educational support and investment workshops will not be designed so as to provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

- **Advice to Participants**

Unless separately engaged to do so by a plan participant, Adviser will not provide individualized advice to such plan participant, monitor a plan participant's situation or otherwise supervise or consult on the ongoing management of a participant's assets within the plan or otherwise. Upon a plan participant's separate engagement of Adviser as his or her investment adviser, Adviser will provide individualized advice to such plan participant per the terms of the applicable Financial Planning Agreement, Consulting Agreement, or Investment Advisory Agreement.

- **Co-Fiduciary Relationship**

For certain plans that are subject to the Employee Retirement Income Security Act of 1974 ("**ERISA**"), Adviser will act as a 'fiduciary' as defined in ERISA.

- **Plan Administration/Custody Services**

Adviser provides retirement plan administration services to retirement plan sponsors. Adviser has engaged American Trust Corporation ("***ATC***") to assist Adviser with its provision of suchplan administration services. Adviser compensates ATC for its services. There is no extra charge to the plan sponsor or its participants as a result of our engagement of ATC. In addition, Adviser recommends that its retirement plan clients consider engaging the custody services provided by Mid Atlantic Trust Company ***("MATC")***. Adviser recommends *MATC* because *MATC* is generally able to provide plan sponsors with lower cost custody services. *MATC* and ATC are affiliated entities. Neither Adviser nor any of its employees receive any economic consideration from either *MATC* or ATC.

ERISA / IRC Fiduciary Acknowledgment

If a client is: (i) a retirement plan ("***Plan***") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an Individual Retirement Account ("***IRA***") acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Adviser represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Adviser or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

(8) Retirement Plan Roll Overs – Fiduciary Status/Conflict of Interest/No Obligation

ERISA and/or the Internal Revenue Code, which are laws governing retirement accounts, have specific provisions dealing with, and requirements relating to, any investment adviser or investment adviser representative making recommendations to roll over assets from the retirement plan of an investor to an account managed by such investment adviser.

Fiduciary Status

Adviser represents that it and its investment adviser representatives are fiduciaries under ERISA and/or the Internal Revenue Code, as applicable. As fiduciaries, Adviser and its investment adviser representatives adhere to the impartial conduct standards and are required, when making such roll over recommendations to a client, to act in the best interest of such client and not to put the interests of Adviser or our investment adviser representatives ahead of those of such client.

Under the fiduciary duty rule, as applicable within the realm of ERISA and/or the Internal Revenue Code, Adviser and our investment adviser representatives must also:

- meet a professional standard of care when making such roll over recommendations (give prudent advice);
- never put their financial interests ahead of that of any client receiving such roll over recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that they give advice that is in the best interest of such client receiving such roll over recommendations;
- charge no more than is reasonable for our services; and
- give our clients basic information about conflicts of interest.

Retirement Plan Options

Any prospective or existing client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

i) leave the money in the former employer's plan, if permitted,
ii) if the client is joining a new employer, roll over the assets to the new employer's plan, provided that one is available and roll overs are permitted,
iii) roll over to an Individual Retirement Account ("***IRA***"), or
iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

Adviser has developed an internal retirement plan roll over process requiring the performance of a detailed analysis and the completion and delivery of client-specific disclosure documentation before the transmission of any recommendation to roll over retirement plan assets, including in each case:

i) the investment options available in the retirement plan versus the investment options available in an IRA,
ii) fees and expenses in the plan versus the fees and expenses in an IRA,
iii) the services and responsiveness of the plan's investment professionals versus Adviser,
iv) the protection of assets from creditors and legal judgments,
v) required minimum distributions, beneficiary options, age considerations, and
vi) employer stock tax consequences, if any.

No prospective or existing client is under any obligation to roll over retirement plan assets to an account subject to the Investment Management Services of Adviser or to engage Adviser to provide Advisement Services with respect to any retirement plan assets.

Conflict of Interest

When an investment adviser or an investment adviser representative makes a recommendation to a client or prospective client that entails new or additional compensation to the investment adviser or the investment adviser representative, such investment adviser or investment adviser representative has an economic incentive to make such recommendation, and this creates a conflict of interest (see **Please Note** below). In contrast, a recommendation that a client or prospective client leave such client's plan assets with such client's former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Adviser (unless clients engage Adviser to monitor and/or manage the account while maintained at his/her employer). Clients and prospects hereby are advised of the existence of a conflict of interest and a prohibited transaction in such situations and to evaluate whether the additional compensation payable to Adviser in consideration for our provision of services with respect to rolled over assets is appropriate and acceptable.

Specifically, in the context of a recommendation by Adviser or any of its investment adviser representatives to a prospective or existing client that such client or prospect roll over retirement plan assets of such client or prospect into an account subject to the Investment Management Services of Adviser, if Adviser earns an additional Adviser Fee with respect to the Investment Management Services applicable to any such rolled over assets, such recommendation creates a conflict of interest. A similar conflict of interest arises in connection with a recommendation by Adviser or any of its investment adviser representatives to a prospective or existing client that such client or prospect engage Adviser to provide Advisement Services (defined above in Item 4(B)(3)) with respect to retirement plan assets or other assets, if Adviser earns an additional Adviser Fee for Advisement Services provided by Adviser with respect to such retirement plan assets or other assets. **Please Note**: If, prior to the time of a rollover recommendation by Adviser to any client, Adviser already provided Investment Management Services or Advisement Services with respect to such client's employer plan assets subject to a particular Adviser Fee and the fee payable by the client after the roll over will be the same particular Adviser Fee, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is moot.

(9) Investments in Mutual Funds

Most mutual funds are available directly to the public. Thus, a prospective or existing client can invest in many of the mutual funds that are recommended and/or utilized by Adviser without the assistance of Adviser. Investments in mutual funds handled directly by a prospective or existing client are not Assets Under Management and, unless Adviser and such prospective or existing client expressly agree that such investments are Assets Under Advisement, those mutual fund investments handled directly by a prospective or existing client also will not be Assets Under Advisement. Only Assets Under Management and Assets Under Advisement are subject to our Investment Management Services and Advisement Services, respectively.

In addition to these publicly-available mutual funds, Assets Under Management may include (i) institutional level classes of mutual funds, which are not normally available to the retail consumer and generally only available through registered investment advisers, and (ii) other funds, which may only be available through certain advisers or Custodians. Thus, if a client terminates our services, restrictions regarding transferability and/or additional purchases of, or reallocation among, certain funds may apply.

Institutional level classes of some mutual funds may charge lower internal expenses than similar retail classes of such funds.

(10) Advisors Intelligent Portfolios Program

When consistent with a client's investment objectives, Adviser may offer portfolio management services through the Advisors Intelligent Portfolio Program (the "***Program***"), an automated investment program through which clients are invested in a range of investment strategies that Adviser has constructed and manages, each consisting of a portfolio of ETFs and a cash allocation. The client may instruct Adviser to exclude up to three ETFs from the client's portfolio.

The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("***CS&Co***"). Adviser uses the Institutional Intelligent Portfolios® platform ("***Platform***"), offered by Schwab Performance Technologies ("***SPT***"), a software provider to independent investment advisors and an affiliate of CS&Co, to operate the Program. Adviser is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co, or their affiliates (CS&Co, Charles Schwab Bank and their affiliates are collectively referred to as "***Schwab***"). Adviser, and not Schwab, is the client's investment adviser and primary point of contact with respect to the Program. As between Adviser and Schwab, Adviser is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing the client portfolio on an ongoing basis.

Adviser has contracted with SPT to provide Adviser with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables Adviser to make the Program available to clients online and includes a system that automates certain key parts of its investment process (the "***System***"). The System includes an online questionnaire that helps Adviser determine the client's investment objectives and overall risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that Adviser recommends a portfolio through the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but Adviser then makes the final decision and selects a portfolio based on all the information it has about the client. The System also includes an automated investment engine through which Adviser manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Adviser charges clients a fee for its services as described below under Item 5 – Fees and Compensation below. Adviser fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues in connection with the Program, which are described in the "Compensation to Schwab Under the Program" section below. Adviser does not pay SPT fees for the Platform so long as it maintains $100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If Adviser does not meet this condition, then it must pay SPT an annual licensing fee of 0.10% of the value of our clients' assets in the Program. **This arrangement presents a conflict of interest, as it provides an incentive for Adviser to recommend that clients maintain their accounts at CS&Co**. Notwithstanding such conflict of interest, Adviser may generally recommend to certain clients that they maintain investment management accounts at CS&Co based on the considerations discussed in Item 4(B)(12) below, which mitigate but do not eliminate this conflict of interest.

Clients enrolled in the Program are limited in the universe of investment options available to them. For example, the investment options available are limited to ETFs, whereas Adviser recommends various other types of securities in its other services. The Program is designed to provide guidance and professional assistance to individuals who are beginning the process of accumulating wealth. Clients will have access to their accounts and a financial interface online but will also have the opportunity to confer with Adviser with respect to their account. The System will rebalance a client's account periodically by generating instructions to CS&Co to buy and sell shares of funds and depositing or withdrawing funds through the "Sweep Program", considering the asset allocation for the client's investment strategy. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an asset class varies by a set parameter established by Adviser, (ii) Adviser decides to change asset allocation percentages for an investment strategy or (iii) Adviser decides to change a client's investment strategy, which could occur, for example, when a client makes changes to their investment profile or imposes or modifies restrictions on the management of their account.

Each investment strategy involves a cash allocation ("***Cash Allocation***") that will be held in a sweep program at Charles Schwab Bank (the "***Sweep Program***"). The Cash Allocation will be a minimum of 4% of an account's value to be held in cash, and may be higher, depending on the investment strategy chosen for a client. The Cash Allocation will be accomplished through enrollment in the Sweep Program, a program sponsored by CS&Co. By enrolling in the Program, clients consent to having the free credit balances in their brokerage accounts at CS&Co. swept into deposit accounts ("***Deposit Accounts***") at Charles Schwab Bank ("***Schwab Bank***") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of the Program. If the Deposit Account balances exceed the Cash Allocation for a client's investment strategy, the excess over the rebalancing parameter will be used to purchase securities as part of rebalancing. If clients request cash withdrawals from their accounts, this likely will require the sale of fund positions in their accounts to bring their Cash Allocation in line with the target allocation for their chosen investment strategy. If those clients have taxable accounts, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with CS&Co, Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

Under the Program, Clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement (please see Item 5- Fees and Compensation a discussion of Sweep Account related issues, including that the interest paid on cash therein generally is substantially lower than the yield on a money market fund); (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that Adviser selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

(11) Accounts subject to Cash Sweep Feature

Certain account Custodians can require that cash proceeds from account transactions or new deposits be swept to and/or initially maintained in a specific custodian designated sweep account. Some sweep accounts combine the benefits of affording immediate liquidity, bearing interest and providing FDIC protection (up to certain limits). Custodians generally do not have a duty to provide our clients with the highest interest rates available and will instead seek to pay a lower rate, and a rate that is lower than other options available in the market, including money market mutual funds and most certificates of deposit. Banks have the financial incentive to pay all-in funding rates as low as the market will permit. There is no necessary linkage between rates of interest paid by Custodians with respect to funds subject to the sweep feature and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus. As a result, the yield or interest on the cash balances in a sweep account will generally be lower than the yield or interest available if those cash balances were invested in money market funds. To help mitigate the resulting yield dispersion, Adviser may purchase, using a portion of the moneys subject to the sweep feature, a higher yielding money market fund available on the custodian's platform, provided that Adviser will not do so if there is a reasonable basis for maintaining the funds subject to the sweep feature, including if Adviser plans to utilize the cash subject to the sweep feature in the short-term to purchase additional investments for the client's account, the client prefers FDIC (over SIPC) (if either is applicable) protection with respect to the funds or the client needs immediate liquidity of cash funds for distribution purposes. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrable history of writing checks from the account. **Please Note**: The above does not apply to the cash component maintained within an Adviser actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. **Please Also Note**: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Adviser unmanaged accounts.

(12) Schwab Advisor Network®.

Adviser receives client referrals from Charles Schwab & Co., Inc. through our participation in the Schwab Advisor Network®. Our participation may raise potential conflicts of interest described below. ***Please See*** the disclosures at Items 12- Brokerage Practices and Item 14 Client Referrals and Other Compensation.

(13) Non-Investment Consulting/Implementation Services.

To the extent requested by a client, Adviser may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Adviser, nor any of its representatives, serves as an attorney and no portion of our services should be construed as same. To the extent requested by a client, Adviser may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.), including representatives of Adviser in their separate licensed capacities as discussed in Item 10(C) below. Clients are under no obligation to engage the services of any professional recommended by Adviser. Clients retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Adviser. **Please Note:** If a client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, client's sole recourse shall be from and against the engaged professional. At all times, engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** Adviser, shall be responsible for the quality and competency of the services provided. **Please Also Note:** It remains the client's responsibility to promptly notify Adviser if there is ever any change in the client's financial situation, investment objectives or overall or account-specific risk tolerances for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

(14) Reporting Services.

Adviser, in conjunction with the data aggregation services provided by Quovo, ByAllAccounts, Inc. or eMoney Advisor, LLC (third-party service providers unaffiliated with Adviser) may permit the client to aggregate Assets, as well as other assets, such as Assets Of Record, which are not part of the Assets (the "**Excluded Assets**"). **The client and/or client's other advisers that maintain trading authority, and not Adviser, shall be exclusively responsible for the investment performance of the Excluded Assets**. Our role is expressly limited to providing the client with access to these data aggregation services. Adviser does not have trading authority for the Excluded Assets. As such, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not Adviser, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. Adviser shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event a client desires that Adviser provide discretionary investment advisory services (whereby Adviser would have trading authority) with respect to any Excluded Assets, the client may engage Adviser to do so by amending the scope of services under the terms and conditions of the Investment Advisory Agreement between Adviser and the client.

(15) Plan Administration/Custody Services.

Adviser provides retirement plan administration services to retirement plan sponsors. Adviser has engaged American Trust Corporation ("***ATC***") to assist Adviser with its provision of such plan administration services. Adviser shall compensate ATC for its services. There is no extra charge to the plan sponsor or its participants as the result of our engagement of ATC. In addition, Adviser recommends that its retirement plan clients consider engaging the custody services provided by MATC. Adviser recommends MATC because MATC is generally able to provide plan sponsors with lower cost custody services. MATC and ATC are affiliated entities. Neither Adviser, nor any of its employees, receive any economic consideration from either MATC or ATC.

4(C) Client Tailored Services and Client-Imposed Restrictions

Adviser endeavors to tailor its advisory services to meet the specific needs of each client. When determining a suitable course of action for an individual client, Adviser performs a review of such client's financial circumstances and other factors that would influence the investment recommendations we make to such client. Such a review may include investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk capacity, overall or account-specific risk tolerances, and other factors unique to a client's particular circumstances. Adviser then allocates the client's assets into one or more accounts consistent with the client's designated investment objective(s), overall or account-specific risk tolerance. Once allocated, Adviser provides ongoing supervision with respect to the account(s) to determine if any changes are necessary based upon various factors, including investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a material change in the client's investment objectives, overall or account-specific risk tolerances or other particular financial circumstances.

Before engaging Adviser to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement, Financial Planning Agreement, or Consulting Agreement with Adviser setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

In making investment recommendations to clients, Adviser relies on data gathering documents or questionnaires completed by clients or completed by Adviser based on information provided by clients, as well as other documentation received from clients.

Clients may, at any time, request reasonable restrictions, exceptions or other conditions, in writing, regarding how Adviser provides its advisory services. Any restrictions, exceptions and /or conditions that clients impose on our investment management functions may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and clients should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance), as well as any recommendations provided to such clients.

4(D) Wrap Fee Programs

Our investment advisory services do not involve the use of wrap fee programs.

4(E) Adviser Clients Regulatory Assets Under Management ("*AUM*") as of April 5, 2024:

AUM (discretionary):	$11,137,370,000
AUM (non-discretionary):	$242,374,000
Total AUM:	$11,379,744,000

Client Obligations.

In performing its services, Adviser is not required to verify any information received from the client or from any of client's other professionals and is expressly authorized by the client to rely thereon. Moreover, each client is responsible to promptly notify Adviser if there is any change in such client's other professionals upon the information of which Adviser relies.

Item 5 Fees and Compensation

5(A) Methods of Compensation and Fee Schedule

Investment advisory fees are typically charged to clients in exchange for a range of services, including investment advice, portfolio management, and financial advice (including financial planning). These fees can vary depending upon **various objective and subjective factors,** including, but not limited to, the size and complexity of the client's Assets Under Management or Assets Under Advisement, the location of Adviser office to which the advisors providing the service are assigned, the complexity of the engagement, and the level or scope of services provided by the investment advisory team.

For instance, if a client requires a high level of personal attention, including frequent in-person meetings or extensive travel to meet with the client, this can increase the costs associated with providing advisory services.

Similarly, the scope of services provided by the advisory team can also affect fees. For example, a client who requires a broad range of services, including financial planning, estate planning, tax planning, and investment management, may need a larger team of advisors with a diverse range of expertise. This can result in higher fees to cover the costs associated with providing a more comprehensive suite of services.

Different deliverables can also affect the fees charged by investment advisory teams. For example, some clients may require customized reports or detailed analyses of their portfolios, which can be time-consuming to produce. In such cases, the fees may be higher to account for the additional work required to generate these deliverables.

It is important to recognize that investment advisory fees do not just compensate the individual advisor or portfolio manager who directly interacts with the client. Rather, these fees are intended to cover the costs associated with the entire team that works to support the client's investment strategy and ensure regulatory compliance. This team may include professionals in a range of roles, including trading, compliance, and management. For example, a compliance officer may work to ensure that the client's investments are in line with relevant regulations and that any necessary disclosures are made. Similarly, a trading team may work to execute trades efficiently and cost-effectively, while a management team may oversee the overall operations of the advisory firm. All of these professionals play a critical role in supporting the client's investment objectives and helping them to achieve their financial goals. As such, it is appropriate for investment advisory fees to reflect the entire team's contributions, not just those of the individual advisor or portfolio manager. By compensating the team as a whole, clients can benefit from the collective expertise and support of a diverse group of professionals, all working toward a common goal.

(1) Adviser Fee for Investment Management Services and Advisement Services

Our fee for ongoing Investment Management Services and Advisement Services to a particular client ("***Adviser Fee***") is calculated as follows. Relevant details relating to the calculation of Adviser Fee are set forth in a fee schedule exhibit to the applicable Investment Advisory Agreement ("***Fee Schedule***").

(a) Percentage Based Adviser Fee

Certain new clients are billed an Adviser Fee, subject to any applicable minimum, which is calculated based on a flat percentage Fee Schedule or a declining marginal percentage Fee Schedule. The particular percentages in such Fee Schedules may range from 0.25% to 1.5% of the total Assets Under Management (and, if applicable, Assets Under Advisement).

(i) Declining Marginal Percentages Adviser Fee

Certain new clients are billed an Adviser Fee, subject to any applicable minimum, which is calculated based on a declining marginal percentage fee schedule. The declining marginal percentages applicable to Adviser Fee may range from 0.25% to 1.5% of billable Assets per year. In case declining marginal percentages are applicable, Adviser Fee with respect to each quarterly period is payable in advance and is equal to (i) the product of each portion of the aggregate value of all billable Assets that falls within one of the marginal value ranges of the Fee Schedule (as of the last day of the preceding Period) times one quarter of the declining marginal annual fee percentage corresponding to such portion according to such Fee Schedule.

If balances with respect to any billable account do not download electronically into our integrated investment portfolio management application, the preceding paragraph does not apply. Instead, our percentage-based Adviser Fee with respect to each quarterly period, payable in advance, is equal to the product of the latest value of such billable account, as stated on the last statement received by Adviser from client or any third-party custodian with respect to such billable account or as downloaded electronically, times one quarter of the applicable declining marginal annual fee percentage of such Fee Schedule.

(ii) Flat Percentage Adviser Fee

Certain new clients are billed an Adviser Fee, subject to any applicable minimum, which is based on a flat percentage with respect to all of their Assets Under Management and, if applicable, Assets Under Advisement. The declining marginal percentages applicable to Adviser Fee may range from 0.25% to 1.5% of Assets Under Management and, if applicable, Assets Under Advisement per year.

(b) Negotiated Fixed Dollar Amount Adviser Fee

Certain new clients are billed a fixed dollar amount Adviser Fee. The amount of the fixed dollar Adviser Fee is subject to negotiation and agreement between Adviser and each applicable client and may be adjusted periodically.

(c) Other Adviser Fee Types

Certain new clients may be billed an Adviser Fee that is a combination of two or more of Adviser Fees described above. For example, the sum of (i) a fixed dollar amount Adviser Fee plus (ii) a Percentage Based Adviser Fee on the value of Assets Under Management and, if applicable, Assets Under Advisement.

(d) General Adviser Fee Related Terms

Generally, any Adviser Fee payable by a client to Adviser will, upon a qualified custodian's receipt of a payment request therefor from Adviser, be deducted by such qualified custodian from one or more accounts of such client at such qualified custodian and paid by such qualified custodian to Adviser in compliance with regulatory procedures. This qualified custodian deduction and payment procedure is expressly authorized in the Investment Advisory Agreement. Often, this qualified custodian deduction and payment procedure also is subject to a separate signed authorization or instruction from a client to a qualified custodian. A client's authorized qualified custodian deduction and payment procedure remains valid until Adviser and/or the applicable qualified custodian receives a written revocation of such authorization from such client. Each client with an account at a qualified custodian can expect to receive from such qualified custodian, at least quarterly, a statement indicating the amounts disbursed from any such account and any Adviser Fee paid from any such account.

In certain situations, at our sole discretion, Adviser Fee payable by a client to Adviser that is calculated with respect to certain Assets held at one custodian may be deducted from Assets held at another custodian. Also, in limited circumstances, subject to client's request, Adviser Fee may be paid to Adviser directly by such client instead of by a qualified custodian through a deduction from Assets Under Management, in which cases, Adviser will bill the client directly and payment by the client will be due promptly upon receipt of our invoice.

Adviser deducts fees and/or bills clients, periodically, in advance or arrears (according to the terms of the signed Investment Advisory Agreement). Adviser may (if expressly set forth in the applicable Investment Advisory Agreement), but does not generally, bill or reimburse for additions to or withdrawals from existing accounts during the applicable billing period.

Adviser manages retirement plans through the Fidelity Connect program. Fidelity Connect retirement plans are billed in arrears, based upon the average daily balance of the retirement plan's assets maintained during the previous quarter.

Our annual Adviser Fee is generally payable on a quarterly basis, in advance or arrears (according to the signed Investment Advisory Agreement). Adviser Fee generally is invoiced and deducted from one or more accounts comprising the Assets as soon as possible during the month following the most recently ended billing period and each invoice will be uploaded to the applicable client portal. If any Adviser Fee applicable to a client is not paid by a qualified custodian upon a qualified custodian's receipt of a payment request therefor from Adviser, such client is obligated to make payment of Adviser Fee promptly upon such client's receipt of a written invoice therefor. If payment of Adviser Fee is set up via credit card, Adviser Fee generally will be charged as soon as possible during the month following the most recently ended billing period.

Subject to the disclosures in Item 5(A)(5) and Item 5(A)(6) below, new retail clients are generally subject to a $5,000 annual minimum Adviser Fee and certain 401(k) Plan clients are generally subject to a $15,000 annual minimum Adviser Fee.

The Investment Advisory Agreement will continue in effect until terminated at any time upon written notice by either party to the other in accordance with the terms of the Investment Advisory Agreement. Each client will incur a pro rata charge for Investment Management Services or Advisement Services rendered prior to the termination of the Investment Advisory Agreement, which means clients will incur an Adviser Fee only in proportion to the number of days in the billing period for which clients are clients of Adviser. If an Adviser Fee is paid by a client to Adviser in advance with respect to a particular period and the effective time of termination of the Investment Advisory Agreement is prior to the expiration of such period, such client will receive a pro-rated refund of such Adviser Fee based on the days in such period from the effective time of termination of the Investment Advisory Agreement through the expiration of such period. Refunds of Adviser Fees pursuant to the preceding sentence are paid by Adviser as soon as reasonably possible but not sooner than ten (10) business days after the receipt of the notice of termination of the Investment Advisory Agreement by the non-terminating party. If an Adviser Fee is paid by a client to Adviser in arrears with respect to a particular period, Adviser shall deduct fees and/or bill the pro-rated portion of the arrears Adviser Fee based upon the number of days that the account was managed by Adviser.

Private Investment Fund Fees

The advisory fees for private investment funds are outlined in the respective private investment fund governing documents and are based on the reporting by the third-party manager of the underlying private investment fund. If Adviser references private investment funds owned by the client on any supplemental account reports prepared by Adviser, the value(s) for all private investment funds owned by the client reflects the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation reflects the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. The client's Adviser Fee shall be based upon such reflected fund value(s).

(2) Financial Planning and Financial Advice Fees

The financial planning services provided by Adviser to a client pursuant to a Financial Planning Agreement may be subject to such client's payment of a Financial Planning fee ("**Financial Planning Fee**"). In such instances, the Financial Planning Fee generally is set by Adviser, based on the size, scope, and nature of each individual project, is determined prior to the commencement of the engagement and is expressly stated in the Financial Planning Agreement. For reasons of transparency, and to comply with the requirements to the CFP Board, a Financial Planning Agreement may disclose the list fee for the financial planning services provided thereunder, even if no Financial Planning Fee actually is applicable to, or payable by, the client in connection with such financial planning services. The list fee for specific financial planning services, and, if applicable, any Financial Planning Fee, generally range from $500 to $50,000, on a fixed fee basis, or from $75 to $450, on an hourly rate basis, depending upon the size, scope, and nature of the service(s) required and the professional(s) rendering the service(s).

The Financial Planning Fee is billed, generally, either, in full, and in advance, or 50% in advance and 50% upon completion of the financial planning services. The engagement to provide Financial Planning services to a client ends at the time of our completion and delivery of the Financial Planning services. If completion of the project is delayed (beyond 90 days) because requested information has not been provided, Adviser retains the right to progress bill for work that has been performed to date and is not covered by the portion of the Financial Planning

Fee already received. If, upon termination of the Financial Planning services engagement, the Financial Planning Agreement requires the payment of a refund, Adviser will refund, as soon as reasonably possible, to the applicable client such portion of the Financial Planning Fee which Adviser determines is reasonable in light of the time dedicated by Adviser to administrative, financial planning or investment advisory tasks in connection with the provision of the financial planning services through the effective date of termination of the engagement.

As described above in Item 4(B)(6), if Adviser determines to provide Financial Planning, Financial Advice that does not constitute Financial Planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.), in each case, on a stand-alone separate fee basis to a prospective client requesting such engagement that does not wish to become an Investment Management Services or Advisement Services client of Adviser, our Financial Planning Fee or consulting services fee generally will range from $500 to $50,000 on a fixed fee basis, or from $75 to $500 on an hourly rate basis, depending upon the size, scope, and nature of the service(s) required and the professional(s) rendering the service(s). Our Financial Planning Fees or consulting services fees are negotiable.

Generally, the services provided by Adviser under the terms of the applicable Investment Advisory Agreement include ongoing financial advice and no fee is charged by Adviser for financial advice services. However, if Adviser determines, based on the applicable circumstances, that the financial advice services to be provided to a particular client are extraordinary, then Adviser may charge an additional fee, including a Financial Planning Fee or a consulting services fee, for the provision of such financial advice services.

<u>**Please Note**</u>: **Adviser believes that it is important for each client receiving Investment Management Services or Advisement Services to raise any financial advice related issues of such client with Adviser on an ongoing basis and for Adviser to address the same. Except in extraordinary circumstances, as described above in Item 4(B)(6), our Adviser Fee will remain the same, whether or not the client raises any financial advice issues with Adviser.**

(3) Fees for Retirement Plan Consulting Services

Fees for retirement plan consulting, investment advisory, fiduciary, and participant education services generally are calculated based on the value of the plan assets and a specific annualized percentage factor. The specific annualized percentage factor applicable to Adviser Fees for retirement plan consulting services and the length of the applicable billing period is as set forth in the applicable Adviser retirement plan Investment Advisory Agreement. Adviser Fees for retirement plan consulting services may be calculated and deducted from Assets, in arrears or in advance, on a calendar year quarterly or annual basis.

The annualized percentage factor applicable to Adviser Fees for retirement plan consulting services for new clients ranges from 0.10% to 1.50%, subject to Adviser Fee annual minimums as described below in Item 5 – Fees and Compensation. The annualized percentage factor or Adviser Fee annual minimums applicable to Adviser Fee for retirement plan consulting services are negotiable. In exceptional circumstances, Adviser Fee for retirement plan consulting services may be a negotiated fixed dollar amount.

If Adviser Fee for retirement plan consulting services applicable to a client is not paid by a qualified custodian or third-party administrator to Adviser, promptly upon the receipt by such qualified custodian or third-party administrator of a payment request therefor from Adviser, such client is obligated to make payment of such Adviser Fee promptly upon such client's receipt of written invoice therefor.

(4) Fee Minimums

Clients may be subject to Adviser Fee annual minimums. Adviser Fee annual minimums typically range from $500 to $20,000. In certain cases, based on the nature and complexity of any new client situation, Adviser Fee minimums may exceed the upper limit of the above range. Adviser retains the right to waive or reduce any Adviser Fee annual minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Adviser Fee minimums or negotiated fixed dollar Adviser Fee amounts may cause the average Adviser Fee percentage applicable to billable Assets to exceed the upper limit of Adviser Fee percentage ranges set forth in Item 5(A). For example, if Adviser Fees applicable to a client are set at an annualized percentage factor of 1% of Assets Under Management, such client is subject to a $15,000 annual minimum Adviser Fee and such client maintains $900,000 of Assets Under Management, then the client will pay an Adviser Fee of $15,000, which exceeds the $9,000 that would be payable if no Adviser Fee annual minimum was applicable, and which results in an applicable average Adviser Fee percentage to be 1.67%, which exceeds the 1.5% upper limit of Adviser Fee percentage ranges set forth in Item 5(A).

(5) Fee Differentials

Adviser prices its services to clients, in its discretion, based upon objective and subjective criteria (i.e. client's anticipated future earning capacity, existing market value of Assets, anticipated future additional Assets, client's relationship to another client, Asset composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Assets may be (but are not always) grouped by household or family for the purposes of calculating Adviser Fee or applying Adviser Fee minimums. As a result of the above, Adviser (i) may charge a particular client an Adviser Fee that is below Adviser Fee charged to another client, that is calculated differently than the calculation used for another client, that is subject to a different minimum than that applicable to another client or to no minimum, that is charged on a time-interval that is different than the time-interval applicable to another client, that adjusts Adviser Fee charged during the preceding quarterly period in arrears based on the positive or negative value of any cash flow during the preceding quarterly period into or out of Assets Under Management (instead of not making any such adjustments), or (ii) may waive its Adviser Fee entirely. Adviser Fee payable by any client is negotiable. **<u>Please Note</u>**: As a result of the above, similarly situated clients could pay different Adviser Fees. In addition, similar advisory services may be available from other investment advisers at similar or lower fees than Adviser Fee applicable to a particular client.

(6) Grandfathered Fee Schedules

Many clients have and will continue to be grandfathered under fee schedules and/or agreements that existed at the time of our engagement by such clients. Adviser has grown, and expects to continue to grow, throughout the United States, including by acquisition of the investment advisory businesses of other firms and/or hiring investment advisers with pre-existing client-relationships ("***Legacy Groups/Individuals***"). Clients of Legacy Groups/Individuals could have fee schedules or other fee arrangements that differ from those described in Item 5(A). Clients that formerly were clients of Legacy Groups/Individuals will sometimes maintain their pre-existing fee schedules ("***Grandfathered Fee Schedules***") after joining Adviser, provided that Adviser generally will, subject to fee minimum disclosure in Item 5(A)(4) above, apply a 1.5% maximum Adviser Fee limit to any Grandfathered Fee Schedules.

In some instances, the Grandfathered Fee Schedule and/or agreement of a client may be changed at the beginning or during the investment advisory relationship with Adviser to a fee schedule or agreement other than the fee schedule or agreement set forth in Item 5(A). As a result, clients (including clients that formerly were clients of Legacy Groups/Individuals) are subject to various different fee schedules and/or arrangements, with Adviser Fees that may be higher or lower than Adviser Fee ranges for new clients set forth in Item 5(A) or that may be subject to other conditions or restrictions. For example, instead of the fee schedules set forth in Item 5(A), Adviser Fee (i) may be computed fully in arrears, (ii) may be on a periodic basis other than quarter annual, (iii) may be subject to minimums different than those set forth in Item 5(A) above or to no minimums, (iv) may adjust Adviser Fee charged during the preceding quarterly period in arrears based on the positive or negative value of any cash flow during the preceding quarterly period into or out of Assets Under Management, or (v) may be higher than the upper limit of the ranges set forth in Item 5(A) for new clients. Any Grandfathered Fee Schedule and/or arrangement applicable to a client is set forth in the applicable Investment Advisory Agreement.

Grandfathered Fee Schedules generally will not be made available to new clients (but a particular Grandfathered Fee Schedule, or a variation thereof, may be offered to a new client if such client is related (including by common familial or employer relationship) to an existing client that is subject to such Grandfathered Fee Schedule).

(7) Margin

Adviser **does not** recommend the use of margin for investment purposes. If a client decides to invest any portion of margin loan proceeds in an account to be managed by Adviser (outside of a retirement plan account), Adviser will include the total market value of the assets (inclusive of margin assets) when computing its Adviser Fee. Because our Adviser Fee is based upon the total market value of the assets (inclusive of margin assets), our Adviser Fee is higher when margin loan proceeds are used in an account managed by Adviser. As a result, a conflict of interest arises since Adviser may have an economic disincentive to recommend that the client terminate the use of margin.

(8) Cash or Cash Equivalents

Adviser treats cash or cash equivalents (including shares of money market mutual funds and short-term ETFs, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements) as an asset class. As such, all cash or cash equivalents positions, including accrued interest, dividends and other income, continue to be included as part of assets under management for purposes of calculating Adviser Fee. Cash or cash equivalents may be placed by Adviser or the applicable custodian into a sweep vehicle until such cash is invested or otherwise needed to satisfy obligation arising in connection with the account. Sweep vehicles can take many different forms, including money market funds, interest bearing bank accounts (through affiliates) that may be entitled to coverage (subject to applicable limitations) by the FDIC (Federal Deposit Insurance Corporation), interest bearing brokerage accounts that are not FDIC-insured, but may be entitled to coverage (subject to applicable limitations) by the SIPC (Securities Investor Protection Corporation). The brokerage cash sweep annual yield paid with respect to cash or cash equivalents in a particular sweep account depends on the Custodian used by such client - different Custodians pay different yields and those yields are subject to change. At any point in time, depending on perceived or anticipated market conditions/events, particularly in situations of expected or actual market decline (it being understood that such anticipated market conditions/events are not guaranteed to occur), Adviser may implement an exit, defensive or opportunistic strategy by moving to and maintaining cash positions. Adviser may also maintain cash or cash equivalent positions in client accounts to have an allocation to cash or cash equivalents as an asset class, to support a phased market entrance strategy (as a dollar cost averaging strategy or while waiting for client investment instructions or delivery of certain requested client information or documentation necessary for the completion of the client's financial plan and implementation of related investment recommendations), to facilitate transaction execution, to have available funds for one-time, periodic or other expected withdrawal needs or for the periodic payment of fees (including Adviser Fee), or to provide for asset protection during periods of volatile market conditions. While assets are maintained in cash or cash equivalents (including in sweep vehicles), those assets held in cash or cash equivalents could miss market advances. Depending upon current yields, at any point in time, Adviser Fee could exceed the interest paid, if any, to a client with respect to cash or cash equivalents.

(9) Reasonableness of Adviser Fees

Adviser believes that its Adviser Fee is reasonable in relation to: (1) the advisory services provided pursuant to the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, our Adviser Fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our Adviser Fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note**: **Our investment programs will involve portfolio turnover, which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.**

5(B) Deduction or other Form of Payment of Client Fees Charged

Refer above to Item 5(A)(1)(d).

5(C) Additional Client Fees Charged

(1) Fees of ETFs, Mutual Funds, Other Investment Vehicles and Custodians

All Adviser Fees are separate and distinct from the fees and expenses charged by ETFs, mutual funds, other investment vehicles, or Custodians. Such fees and expenses are described in each exchange-traded fund or mutual fund's prospectuses, private placement memorandum or other offering material, in agreements or disclosures relating to other investment vehicles, or in applications, agreements or terms and conditions of any Custodian retained by a client. clients are advised to read those materials carefully before investing. Custodians generally charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). Relative to all mutual fund and exchange-traded fund purchases, clients will also incur charges imposed at the fund level (e.g., management fees and other fund expenses and distribution fees.

A client could invest in ETFs or mutual funds directly, without engaging our services. In that case, such client would not receive the services provided by Adviser, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, each client should review both the fees charged by the funds and Wavely's fees to fully understand the total amount of fees to be paid by such client and to thereby evaluate the advisory services being provided. A client could be precluded from using certain investments or separate account managers if they are not offered by such client's custodian.

Adviser does not share in any portion of fees and expenses charged to a client by ETFs, mutual funds, other investment vehicles, or Custodians.

When requested to recommend a Custodian for the custody of Assets Under Management, Adviser generally recommends one or more of Adviser's Institutional Custodians identified in Item 12- Brokerage Practices, as Adviser has institutional client agreements in place with each of them. Adviser's Institutional Custodians charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) are charged differ depending upon the Custodian (while certain Custodians, including Schwab, Pershing, Raymond James, and Fidelity, do not currently charge fees on individual equity transactions, others do). These fees/charges are in addition to our Adviser Fee described in Item 5 below. Adviser does not receive any portion of these fees/charges.

(2) Fees of Sub-Advisers/Independent Managers.

Adviser may allocate (and/or recommend that a client allocate) a portion of a client's investment assets among unaffiliated sub-advisers and/or independent investment managers in accordance with such client's designated investment objective(s). In such situations, sub-advisers and/or independent investment managers shall have day-to-day responsibility for the active discretionary management of the allocated assets. Adviser shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which our Adviser Fee shall range from 0.15% to 1.00% of Assets allocated to the sub-adviser and/or independent manager. Our Adviser Fee is separate from, and in addition to, the fee charged by the sub-adviser and/or independent manager. Factors which Adviser shall consider in recommending sub-advisers and/or independent investment managers include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Clients should review the outside investment adviser or sub-advisers' ADV Part 2A for a full description of such outside investment adviser or sub-adviser's specific services and additional fees.

The fees of investment advisers or sub-advisers may be deducted from one or more accounts of such client at such qualified custodian and paid to the applicable person. A client's authorized qualified custodian deduction and payment procedure remains valid until Adviser and/or the applicable qualified custodian receives a written revocation of such authorization from such client. Each client with an account at a qualified custodian can expect to receive from such qualified custodian, at least quarterly, a statement indicating the amounts disbursed from any such account and any fee or charge paid from any such account.

5(D) Prepayment of Client Fees

Refer above to Item 5(A)(1)(A) and below to Item 13(A).

5(E) External Compensation for the Sale of Securities to Clients

Adviser and its investment adviser representatives are compensated by Adviser solely with respect to the provision of investment advisory services. Neither Adviser, nor its investment adviser representatives, are paid any sales, service, or administrative fees or commissions for the sale of any securities or any other investment products with respect to Assets Under Management.

5(F) Marketing Practices and Rule 206(4)-1

New Item 5.L. on Form ADV A new Item 5.L. has been added to Part 1A of Form ADV that asks questions about the investment adviser's marketing practices and how the firm meets the requirements of the SEC's newly effective Rule 206(4)-1, (the "***Marketing Rule***"). This Item 5.L. requires an adviser to address separately whether its advertisements include testimonials, endorsements, and third-party ratings, and to state whether any of its advertisements include hypothetical performance and predecessor performance. Additionally, Item 14. of Part 2A of Form ADV has been modified to now reference the Marketing Rule when describing solicitation or client referrals instead of its predecessor Rule 206(4)-3.

Item 6 Performance-Based Fees and Side-by-Side Management

Performance-based fees introduce an economic incentive for investment advisers to manage Assets in a way that may not necessarily be in the best interest of clients and, therefore, create a conflict of interest. To minimize the existence of such economic incentive and conflict of interest, subject to the exceptions described in the following paragraph, neither Adviser, nor any of its investment adviser representatives, accept any performance-based fees in relation to any Assets.

Portfolio Managers for the BT Select Fund I, LP, which is an investment held in certain client accounts, are paid a performance fee based upon the share of profits in the funds. BT Select Fund I, LP is liquidating and no longer making new investments. Adviser also has the ability to charge fund-only investors (rather than those investors that also have engaged Adviser to provide Investment Management Services or Advisement Services) a performance fee in Adviser's s Income Funds and Growth Funds, but currently there are no investors who pay a performance fee and, while possible, it seems unlikely at this point that there will be in the future. The existence of performance-based compensation can create an incentive for the Portfolio Managers or the Investment Manager to make riskier and more speculative investments than would otherwise be the case, in the absence of such performance-based compensation. The Portfolio Managers for the funds can also manage certain accounts that are charged asset-based fees as discussed above. This inherently creates a conflict of interest because of the potential for higher compensation from accounts paying a performance-based fee. The potential for greater compensation creates an incentive to direct potentially better investments or to allocate favorable trades disproportionately to performance-based fee accounts. Portfolio Managers are required, by the Code of Ethics and the fiduciary duty, to act in the best interest of all clients.

Item 7 Types of Clients

Adviser provides investment advisory services to individuals, families, pension and profit-sharing plans, business or corporate entities, trusts and estates for natural persons, foundation, endowments or charitable organizations, and private pooled vehicles.

Although Adviser provides investment advisory services to various types of clients, Investment Management Services are conditioned upon meeting certain minimum criteria established by Adviser for each of the investment programs it offers. For information on any minimum fees, minimum initial/ongoing account balances, or other conditions Adviser may impose, please refer to **Item 5** – Fees and Compensation.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

8(A) Methods of Analysis and Investment Strategies

(1) Methods of Analysis

Our investment committee, members of our investment department and some of our investment adviser representatives are responsible for identifying and implementing the methods of analysis used by Adviser in formulating investment strategies and portfolios. In general, Adviser takes a structured, long-term approach to investing.

Adviser uses a variety of sources of data to conduct its economic, investment and market analysis, including financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear. Adviser and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients.

In addition, Adviser performs qualitative research and reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. Adviser employs outside vendors or utilizes third-party software, as needed, to assist in formulating investment recommendations to clients.

Every method of analysis has its own inherent risks. To perform an accurate market analysis, the adviser must have access to current/new market information. Adviser has no control over the dissemination rate of market information; therefore, unbeknownst to the adviser, certain analyses may be compiled with outdated market information, severely limiting the value of our analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Adviser employs the following methods of analysis. Each method of analysis below identifies certain related risks. Each key risk is described in Item 8(B).

- **Charting / Technical / Historical**

The terms “charting” and “technical” and “historical” analysis are generally used synonymously and, therefore, for the purpose of this document, Adviser will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data, including price and volume statistics of a particular security or investment instrument, performance data or earnings data. Technical analysis often involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the performance of the instrument relative to the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

- **Fundamental**

Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e., the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. For example, revenues, earnings, future growth, return on equity, profit margins, standard deviation, price to earnings and other data relating to a company's underlying value and potential for growth. Other examples include large-scale economic issues, including the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Fundamental analysis also can include company/issuer-specific factors, including the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters or the overall type and volume of current and expected business.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Our primary investment strategies are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time-period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investmenttime period to potentially develop but, as a result of more frequent trading, may incurhigher transactional costs when compared to a longer-term investment strategy.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

- **Cyclical**

Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic conditions throughout time. As an example, as unemployment levels rise, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

- **Individual Fixed Income Research**

There are diverse criteria that Adviser may consider in the context of fixed income investments, including regarding the maturity, quality, ability to call, discount/premium and taxation of individual fixed income investments it acquires for clients. Fixed instruments used by Adviser are reviewed for consistency with quality and maturity criteria. In determining credit quality of a fixed income issue, Adviser relies primarily on the ratings assigned to the issue by one or more ratings agencies, supplemented from time to time by such additional research as it deems necessary.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Market Risk.

(2) Investment Strategies

Adviser uses many different investment strategies with respect to Assets Under Management or Assets Under

Advisement. Some of these investment strategies are centrally designed by our Investment Committee, while others are designed by particular investment advisors. Adviser also uses investment strategies that were used by Legacy Groups/Individuals. Generally, our diverse investment strategies are organized into different investment strategies groups, which can be segmented into:

- **Buy and Hold**: buy and hold long-term asset allocation strategies that seek returns through relatively static allocations to major assets, rebalancing overall asset allocations of each strategy from time to time, within applicable overall constraints, to take advantage of opportunities that Adviser identifies;
- **Active and Tactical**: active portfolio management-based strategies that tactically and proactively allocate assets, within defined constraints and a client's risk profile, to asset classes that are deemed attractive, relative to other asset classes, based upon cyclical trends and statistical analysis of the markets; or
- **Customized**: customized investment strategies designed to address specific investment objectives, or needs, including all stocks, all bonds or combinations of strategies in one or more of the strategies groups.

Assets Under Management of our clients are allocated based on the investment objectives, overall or account-specific risk tolerances, time horizons and personal stated objectives and needs of such client and may be allocated to (i) one or more strategies within one of the above three groups of strategies or (ii) multiple strategies that are not all within the same group of strategies.

Our investment strategies rely on diverse methods of buying and selling securities comprising Assets Under Management. Below is a list of some of these methods, including their related risks.

- **Long-Term Purchases**

  Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Short-Term Purchases**

  Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of less than one year.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Trading**

  Trading generally involves the acquisition of an investment instrument and holding it for a period of not more than thirty days.

  Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Short Sales**

  Selling short involves the sale of an investment instrument that clients do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the shore sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Margin Trading**

Margin trading, or "trading on margin," as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds that clients have available for the purchase. Essentially, trading on margin means that clients can borrow additional funds, generally from Adviser that holds the brokerage account of clients, to purchase investment instruments that exceed the amount with which clients have funded their account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Option Writing** (including covered/uncovered options or spreading strategies)

Adviser will also employ the use of options trading in the event that such trading complements an investment strategy Adviser may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e., the "exercise price") by exercising the option before its specified expiration date. Options giving clients the right to buy are called "call" options. Options giving clients the right to sell are called "put" options. When trading options on behalf of a client, Adviser may use covered or uncovered options or various strategies, including spreads and straddles. Covered options involve options trading when clients own the underlying instrument on which the option is based. Uncovered options involve options trading when clients do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

- **Tax Loss Harvesting**

When appropriate to the needs of a client, Adviser will help such client determine which securities should be sold to minimize capital gains tax liability in the current year. Tax loss harvesting is typically used to realize losses to offset capital gains already realized.

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Adviser) will be profitable or equal any specific performance level(s).

Our investment allocation strategies encompass a spectrum of approaches tailored to diverse investment objectives, risk tolerances and time-horizons.

- At one end, **conservative strategies** prioritize safety of principal and income generation, typically favoring fixed-income securities such as bonds or treasury bills. These allocations offer stability and lower risk, often appealing to investors seeking to protect their capital or those nearing retirement.
- Moving towards a balanced approach, **income and growth strategies** blend fixed-income assets with

equities, but tilted towards income, aiming for steady income alongside low to moderate capital appreciation.

- **Balanced strategies** strike a balance between safety and growth potential, suitable for investors seeking both income and long-term wealth accumulation.
- **Growth and income strategies** combine elements of both growth and income-focused allocations, but tilted towards capital appreciation.
- Progressing along the spectrum, **growth-oriented strategies** emphasize capital appreciation over income generation, allocating a larger portion of assets to equities. Investors pursuing growth prioritize long-term wealth accumulation and are willing to tolerate higher volatility for potentially greater returns.
- Meanwhile, **aggressive growth strategies** allocate a significant portion of assets to equities, targeting maximum capital appreciation over the long term.
- Positioned at the highest risk level, **speculative strategies** involve high-risk investments with the potential for substantial gains but also significant losses. These strategies are typically pursued by sophisticated investors with a high-risk tolerance and a willingness to engage in speculative ventures.
- Combinations of these strategies can be tailored to suit individual risk profiles, time horizons and investment objectives, offering flexibility in constructing diversified portfolios that align with specific financial goals.

(3) Material Risks of Investment Instruments

There is no single type of investment instrument that Adviser predominantly recommends. All investments carry some form and degree of risk, including risk of loss of the principal invested amount and any profits that have not been realized. An investment in a strategy is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Financial markets fluctuate substantially over time. As recent global and domestic economic events have indicated, performance of any investment is not guaranteed. Although Adviser does its best to manage and mitigate risks, there are some risks that Waverly cannot control. Waverly does not guarantee any level of performance or that clients will not experience a loss with respect to assets in their accounts. There is a risk that clients could lose all or a portion of their investment in any of our investment strategies, and clients must be willing to bear such risk. Certain types of investments carry greater types and levels of risk than others and clients should make sure that clients fully understand not only the investment type itself, but also the attendant risk factors associated with such type. Provided below is a description of some of the different risks to which an investor is exposed depending on such investor's portfolio holdings. Depending on the investment strategies employed, certain risks will be more applicable than others. The below risks do not purport to be a complete explanation or comprehensive list of all risks involved. Potential investors in certain particular investments, including private placements and private investment funds, receive and must sign specific documentation applicable to such investments and should carefully review such documentation, including the risk disclosures relating thereto, in their entirety before investing in any such particular investments.

- **Equity Securities (Publicly-Traded) and Risks.**

  U.S. equities (stocks of U.S. companies) provide long-term capital growth and serve as a long-term inflation hedge. International equities (stocks of non-U.S. companies) also provide long-term capital growth, serve as a long-term inflation hedge, diversify currency exposure, and increase overall portfolio diversification. Equities can be purchased directly or indirectly, including through the purchase of securities of a fund that includes investments in equities. Funds often allocate to equities based on specific parameters, including geographical region, market capitalization segment, specific industry or income vs growth.

  Stocks of publicly-traded companies typically take the form of shares of either common stock or preferred stock. As a unit of ownership, common stock typically carries voting rights that can be exercised in corporate decisions. Preferred stock differs from common stock in that it typically does not carry voting rights but is legally entitled to receive a certain level of dividend payments before any dividends can be issued to other shareholders. An investor who buys stock is buying an ownership share of the company.

Investing in the stock of individual companies involves inherent risk. Common stock represents an equity (ownership) interest in a company and usually possesses voting rights and earns dividends. Dividends on common stock are not fixed but are declared at the discretion of the issuer. Common stock typically has the greatest appreciation and depreciation potential because increases and decreases in earnings are usually reflected in a company's stock price. The fundamental risk of investing in common and preferred stock is the risk that the value of the stock might decrease. Stock values fluctuate in response to the activities of an individual company and in response to general market and/or economic conditions. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, the company's ability to create shareholder value (i.e., increase the company's stock price), exposure to government taxation, domestic political risk, geopolitical risk, financial transparency risk and regulatory risk. International securities, in addition to the general risks of equity securities, have currency risk. The market value of all securities, including common and preferred stocks, is based on the market's perception of value and not necessarily the book value of an issuer or other objective measures of a company's worth. If clients invest in an equity strategy, they should be willing to accept the risks of the stock market and should consider an investment in the strategy only as a part of their overall investment portfolio.

- **Value Company Securities and Risks.**

Value investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced. The determination that a stock is undervalued is subjective; the market may not agree, and a stock's price may not rise to what we believe is its full value. If the market does not consider the stock to be undervalued, then the value of a strategy's holdings may decline, even if stock prices are broadly rising. The value of a strategy may also decrease in response to the activities and financial prospects of an individual company. A fund's principal market segment(s) – including large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole.

- **Growth Company Securities and Risks.**

An investment in growth stocks is susceptible to rapid price swings, especially during periods of economic uncertainty. Growth stocks typically have little or no dividend income to cushion the effect of adverse market conditions and may be particularly volatile in the event of earnings disappointments or other financial difficulties experienced by the issuer. Securities of growth companies can be more sensitive to the company's earnings and more volatile than the market in general. A fund's principal market segment(s) – including large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole.

- **Medium Capitalization Company Securities and Risks.**

Medium capitalization company stocks may involve greater risk and experience greater fluctuations in price than the stocks of large companies. Further, stocks of mid-sized companies could be more difficult to liquidate during market downturns compared to larger, more widely traded companies. Medium capitalization companies may have limited product lines or resources and may be dependent on a particular market niche. Additionally, securities of many medium capitalization companies are traded in the over-the-counter markets or on a regional securities exchange, potentially making them thinly traded and less liquid and their prices more volatile than the prices of the securities of larger companies. A fund's principal market segment(s) – including large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole.

- **Smaller Capitalization Company Securities and Risks.**

If a strategy invests in smaller companies, an investment in that strategy has the following additional risks:

- Analysts and other investors typically follow these companies less actively, and therefore information about these companies is not always readily available;
- Securities of many smaller companies are traded in the over-the-counter markets or on a regional securities exchange, potentially making them thinly traded and less liquid and their prices more volatile than the prices of the securities of larger companies;
- Changes in the value of smaller company stocks may not mirror the fluctuation of the general market; and
- More limited product lines, markets and financial resources make these companies more susceptible to economic or market setbacks.
- Investments in smaller companies can involve greater risk and price volatility than investments in larger, more mature companies.
- A fund's principal market segment(s) – including large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole.

- **Micro-Cap Company Securities and Risks.**

The prices of micro-cap company securities are typically more volatile, and their markets are less liquid relative to larger market capitalization securities. Therefore, strategies investing in micro-cap company securities involve considerably more risk of loss, and their returns may differ significantly from strategies investing in larger capitalization companies or other asset classes.

- **Mutual Funds (Open-End) and Risks.**

A mutual fund is a company that brings together money from many people and invests it in stocks, bonds or other assets. The combined holdings of stocks, bonds or other assets the fund owns are known as its portfolio. Each investor in the fund owns shares, which represent a part of these holdings.

Historically, investors have diversified their portfolios by including several core asset classes, including equities, bonds and publicly-traded real estate, often further diversifying within these asset classes. For instance, the equity portion of a portfolio might include domestic, international, small-cap and large-cap stocks, diversified across many sectors and industries.

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

Most mutual funds and ETFs are available directly to the public. Thus, a prospective client can obtain many of the mutual funds and/or ETFs that may be recommended and/or utilized by Adviser independent of engaging Adviser as an investment adviser. However, if a prospective client determines to do so, such client will not receive our initial and ongoing investment advisory services. All mutual fund and exchange traded fund fees are separate from, and in addition to, the Adviser Fee as described at Item 5- Fees and Compensation. **Please Note: Use of DFA Mutual Funds**: The mutual funds sponsored by Dimensional Fund Advisors ("***DFA***") are generally only available through registered investment advisers approved by DFA. Thus, if a client with DFA holdings terminates our services, and transitions to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply.

- **Closed-End Funds and Risks.**

A closed-end fund is a collective investment model based on issuing a fixed number of shares which are not redeemable from the fund. Unlike open-end funds, new shares in a closed-end fund are not created by managers to meet demand from investors. Instead, the shares can be purchased and sold only on the securities exchange where it maintains a listing. In the United States, closed-end funds sold publicly must be registered under both the Securities Act of 1933 and the Investment Company Act of 1940. The major risks of a closed-end fund relate to general market risk, the underlying securities in the fund portfolio, future expectations of the performance of those underlying securities, the degree to which leverage is utilized, quality of the issuer's management, the issuer's ability to meet its contractual and operating obligations, and the overall credit risk of the issuer.

- **Interval Funds and Risks.**

An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. That is, the fund periodically offers to buy back a stated portion of its shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the fund. Legally, interval funds are classified as closed-end funds, but they are very different from traditional closed-end funds in that their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value. The periodic repurchases allow the fund to better manage the cash distributions needed while investing in alternative asset classes that are less liquid or may not trade actively in secondary markets.

Investments in interval funds involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report, investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be a semi-liquid or illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk, investment horizon, and liquidity needs. There can be no assurance that an interval fund investment will prove profitable or successful. In light of these enhanced risks, clients may receive additional disclosures and/or affirmative or negative consent communications relating to the use of interval funds in the strategies applicable to any or all of such clients' accounts.

- **Exchange-Traded Funds ("<u>ETFs</u>") and Risks.**

ETFs are SEC-registered investment companies that offer investors a way to pool their money in a fund that invests in stocks, bonds, or other assets. In return, investors receive an interest in the fund. Most ETFs are professionally managed by SEC-registered investment advisers. Some ETFs are passively-managed funds that seek to achieve the same return as a particular market index (often called index funds), while others are actively managed funds that buy or sell investments consistent with a stated investment objective.

Investments in ETFs, which may, in turn, invest in bonds and other financial vehicles, involve substantially the same risks as investing directly in the instruments held by these entities. By investing in an ETF, the strategy becomes a shareholder of that fund. As a result, investors in a strategy that invests in ETFs are indirectly subject to the fees and expenses of the individual ETFs.

ETFs are not mutual funds. There are various differences, including that open-end mutual funds can only be purchased or redeemed at the end of each trading day at their net asset value (NAV) per share, whereas ETFs are listed on national stock exchanges and are traded like stocks at market prices. Therefore, (1) the strategy may acquire ETF shares at a discount or premium to their NAV, and (2) the strategy may incur greater expenses since ETFs are subject to brokerage and other trading costs. Since the value of ETF shares depends on the demand in the market, Adviser may not be able to liquidate the holdings at the most optimal time, adversely affecting performance.

ETFs, depending on the underlying portfolio and its size, can have wide price (bid-ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs employ leverage (i.e., margin), which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral. Further, the use of leverage generally results in additional interest costs to the ETF. Volatility and liquidity risk can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

- **Fixed Income Instruments (Corporate or Governmental Debt Instruments, Commercial Paper, Certificates of Deposit) and Risks.**

Fixed income securities are bonds, notes, warrants, certificates of participation or other obligations that represent loans made by investors (bond owners) to borrowers (typically corporate or governmental) that specify the details of the loans, including the end date when the principal of the loans is due to be paid to investors and usually the terms for variable or fixed interest payments made by the borrower. Fixed income securities are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of fixed income securities are debtholders, or creditors, of the issuer. Investors who buy a corporate bond are lending money to the issuers. Corporate bonds are fixed income securities issued by a company. Fixed income securities add stability and income to portfolios while providing limited protection against extreme economic environments, including a depression or uncontrolled inflation. Fixed income securities, including taxable and tax-exempt bonds, carry different risks than those of equity securities described above. These risks include:

- The company's or the government's ability to retire its debt at maturity.
- The coupon interest rate promised to bondholders.
- Legal constraints and changes.
- Jurisdictional risk (U.S or foreign).
- Call and extension risk.
- Currency risk.
- Changes in Interest Rate. The value of an investment in a fixed income strategy changes in response to changes in interest rates. An increase in interest rates typically causes a fall in the value of the debt securities in which the strategy invests. The longer the duration/maturity of a debt security, the more its value typically falls in response to an increase in interest rates.
- Credit Rating. The value of an investment in a fixed income strategy typically changes in response to the credit ratings of the strategy's portfolio of debt securities. The degree of risk for a particular security may be reflected in its credit rating. Typically, investment risk and price volatility increase as a security's credit rating declines. The financial condition of an issuer of a debt security held by a strategy can cause it to default or become unable to pay interest or principal due on the security. A strategy cannot collect interest and principal payments on a debt security if the issuer defaults.
- Liquidity Risk. Certain fixed income securities held by a strategy are difficult (or impossible) to sell at the time and at the price the portfolio manager would like. As a result, a strategy may have to hold these securities longer than it would like and forego other investment opportunities. There is the possibility that a strategy would lose money or be prevented from realizing capital gains if it cannot sell a security at a particular time and price.

- Foreign bonds have liquidity and currency risk.

With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

- **Creditor vs Shareholder Rights and Risks.**

Different classes of securities have different rights as a creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization.

- **US Government Securities and Risks.**

U.S. government (federal) fixed income securities include bonds issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Some obligations issued or guaranteed by U.S. Government agencies and instrumentalities, including, solely as an example, Ginnie Mae pass-through certificates, are supported by the full faith and credit of the U.S. Treasury. Other obligations issued by or guaranteed by federal agencies, including those securities issued by Fannie Mae, are supported by the discretionary authority of the U.S. Government to purchase certain obligations of the federal agency, while other obligations issued by or guaranteed by federal agencies, including those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Treasury. While the U.S. Government provides financial support to such U.S. Government-sponsored federal agencies, no assurance can be given that the U.S. Government will always do so, since the U.S. Government is not so obligated by law. The primary risk for these securities is interest risk and inflation risk.

- **Municipal Securities and Risks.**

Municipal bonds are fixed income securities issued by a state or local government or their agencies or authorities (including cities, towns, villages, counties or special districts or authorities). A prime feature of most municipal securities is that interest or other investment earnings on them are generally excluded from gross income of the bondholder for federal income tax purposes. However, interest on municipal obligations may not be exempt from the federal alternative minimum tax and may also be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled. Municipal securities involve different risks than those of corporate, US government or other debt securities. Municipal securities risk generally depends on the financial status and credit quality of the issuer. Changes in a municipality's financial condition could cause the issuer to fail to make interest and principal payments when due. A period in which a municipality experiences lower tax revenues, an inability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity, decreased funding from state and local governments or a sustained economic downturn may increase the risk of a credit downgrade or default. Municipal securities also are subject to inflation risk - when a bond has a fixed coupon rate, an increase in the rate of inflation decreases the inflation-adjusted return. If such events were to occur, the value of the municipal security could decrease or be lost entirely, and it may be difficult or impossible to sell such municipal security at the time and the price that normally prevails in the market.

- **Warrants and Rights and Risks.**

Warrants are securities, typically issued with preferred stock or bonds, which give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends, and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors, and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes valueless.

- **Alternative Investments and Risks.**

Alternative Investments include many different types of investments. Some are liquid; others are semi-liquid or illiquid. Alternative investments are capable of adding meaningful diversification to a portfolio of traditional investments, potentially (i) reducing overall portfolio risk through low (or lower) correlation and (ii) providing limited protection from unexpected inflation, while (iii) enhancing long-term returns.

Liquid alternative investments (those that can be bought or sold daily) include long-short equity funds, nontraditional bond funds, market neutral funds, managed futures funds, multi-alternative funds, tactical trading/macro funds or relative value funds (actively managed investment funds that seek to exploit temporary differences in the prices of related securities). Adviser defines **semi-liquid alternative investments** as those that cannot be sold daily but can be sold within two full calendar quarters of a redemption request (subject to fund-specific subscription and redemption limitations). Adviser defines **illiquid alternative investments** as those that cannot be sold within two calendar quarters of a redemption request (subject to fund-specific subscription and redemption limitations), including because of the lack of a redemption mechanism, the existence of lock-ups, or redemption periods that exceed two full quarters from a redemption request (including annual redemption periods), etc.). Illiquid Investments include Qualified Opportunity Zone Funds. Certain illiquid or semi-liquid alternative investments may permit partial redemptions within two full calendar quarters of a redemption request (subject to fund specific redemption limitations), but subject to early redemption penalties or other materially adverse consequences that create a material disincentive to redeeming within the two quarter semi-liquid redemption period.

Some liquid alternative investments are offered as mutual funds or ETFs. Mutual funds that invest in alternative asset classes (sometimes called alt funds or liquid alts) are not typical mutual funds. They are publicly-offered, SEC-registered mutual funds, but hold non-traditional investments or use complex investment and trading strategies. Alternative mutual funds often have similar investments and strategies to those of private placements (including private investment funds or hedge funds). However, alternative mutual funds differ from private placements (including private investment funds or hedge funds), in several important ways:

- **Regulatory safeguards:** Because they are mutual funds, alternative mutual funds are regulated under the Investment Company Act of 1940, which provides certain safeguards. These protections include limits on illiquid investments, restrictions on borrowings and debt, and the requirement to allow investors to sell their shares at any time. Private placement investments (including private investment funds and hedge funds) are not required to follow these regulations, and therefore may pursue non-traditional strategies and investments without the same regulatory safeguards.
- **Open to the public:** Any investor may purchase shares of alternative mutual funds. In contrast, private placement investments (including private investment funds and hedge funds) can only be made by “accredited investors” or “qualified purchasers” who are required to have a minimum level of income or assets. This is designed to limit investors in private placement investments (including private investment funds and hedge funds) to those who are financially sophisticated and generally can bear the risks of investing in funds that are not subject to the regulatory safeguards.
- **Potentially Lower Fees:** Investors in alternative mutual funds generally pay lower fees than investors in private placement investments (including private investment funds and hedge funds). Many alternative mutual funds have an annual fee equal to two percent or less of the fund’s assets. In contrast, investors in private placement investments (including private investment funds and hedge funds) generally pay advisory fees at a similar level plus a percentage of any profits earned. For

example, one fee structure is the so-called 2/20, meaning an advisory fee which is generally equal to 2 percent of the fund's assets plus a 20 percent fee of any profits earned.

Alternative asset classes may have risk and return characteristics that embody a hybrid of equity and fixed income characteristics.

Certain alternative investments (generally those that are not both registered and publicly-traded) are only intended for experienced and sophisticated investors who are willing to bear the potentially high economic risks of the investment and who carefully review and consider potential risks in connection with such investments. Such investments may be subject to multiple risks, including: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity, in that there may be no secondary market for the fund and none expected to develop; volatility of returns; restrictions on transferring interests in the alternative investment, including only permitting withdrawals on a limited periodic basis upon significant written notice and restricting withdrawals through different mechanisms; potential lack of diversification and resulting higher risk due to concentration when a single investmentadviser is utilized; absence of information regarding valuations and pricing; complex tax structures, delays in tax reporting and other tax risks; less regulation and higher fees than mutual funds; adviser risk and indemnities, "clawbacks" or other restrictions that may require the return of capital previously distributed to any client or the payment of additional capital. Such alternative investments may also have higher fees (including multiple layers of fees) compared to other types of investments and may charge an asset-based fee as well as incentive fees based on net profits which may create an incentive for a manager to make investments which are riskier or more speculative than those which might have been made in the absence of such an incentive. Such alternative investments may not be limited in the markets in which they may invest, either by location or type, including large capitalization, small capitalization or non-U.S. markets. Also, individual funds will have specific risks related to their investment programs that vary from fund to fund. For more details on these and other features and risks, prospective or existing clients should carefully read the documentation (including risk disclosures) relating to any such alternative investment. Investors in such alternative investments typically hold "interests" of the alternative investments (as opposed to a share of corporate stock) and may be technically partners in the alternative investments. Alternative investments structured to qualify for partnership tax treatment. Partnerships do not pay U.S. federal income tax at the partnership level. Rather, each partner of a partnership, in computing its U.S. federal income tax liability, must include its allocable share of the partnership's income, gains, losses, deductions, expenses and credits. A change in current tax law, or a change in the business of a given alternative investment, could result in an alternative investment being treated as a corporation for U.S. federal income tax purposes, which would result in such alternative investment being required to pay U.S. federal income tax on its taxable income. The classification of such an alternative investment as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the alternative investment and could cause any such distributions received by an investor to be taxed as dividend income. Where an otherwise tax-exempt account (including an IRA, qualified retirement plan, charitable organization, or other tax exempt or deferred account) is invested in a pass-through entity, the income from such entity may be subject to taxation, and additional tax filings may be required. Further, the tax advantages associated with these investments are generally not realized when held in a tax-deferred or tax-exempt account. Any question by any prospective or existing client about the tax aspects of investing in any such alternative investments, including how an investment in alternative investments may affect the tax return of such prospective or existing client or regarding federal, state, and local income tax implications of the investments of such prospective or existing client, shall be directed by such prospective or existing client to such prospective or existing client's respective tax advisor. Investors in such alternative investments will generally receive a Schedule K-1 for each such alternative investment. Investors will need to file each Schedule K-1 with their federal tax return. Also, investors in such alternative investments may be required to file state income tax returns in states where such alternative investments operate. Investments in these funds should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment.

- **Derivatives Risk**

Derivatives are financial instruments that have a value which depends on, or is derived from, a reference asset, including one or more underlying securities, pools of securities, options, futures, indexes or currencies. Derivatives may result in investment exposures that are greater than their cost would suggest; in other words, a small investment in a derivative may have a large impact on a strategy's performance. The successful use of derivatives typically depends on the manager's ability to predict market movements.

A strategy may use derivatives in various ways. It may use derivatives as a substitute for taking a position in the reference asset or to gain exposure to certain asset classes; under such circumstances, the derivatives may have economic characteristics similar to those of the reference asset, and a strategy's investment in the derivatives may be applied toward meeting a requirement to invest a certain percentage of its net assets in instruments with such characteristics. A strategy may use derivatives to hedge (or reduce) its exposure to a portfolio asset or risk. A strategy may use derivatives for leverage or to manage cash.

  - Derivatives are subject to a number of risks described elsewhere in this section, including liquidity risk, interest rate risk, credit risk and general market risks. A strategy's use of derivatives may entail risks greater than, or possibly different from, such risks and other principal risks to which a strategy is exposed, as described below. Certain of the different risks to which a strategy might be exposed due to its use of derivatives include the following:

  - Counterparty risk is the risk that the other party to the derivative contract will fail to make required payments or otherwise to comply with the terms of the contract. In the event that the counterparty to such a derivative instrument becomes insolvent, a strategy potentially could lose all or a large portion of its investment in the derivative instrument.

  - Hedging risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they also may offset gains.

  - Correlation risk is the risk that derivative instruments may be mispriced or improperly valued and that changes in the value of the derivatives may not correlate perfectly with the underlying asset or security.

  - Volatility risk is the risk that because a strategy may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of the derivative instruments, as they may increase or decrease in value more quickly than the underlying currency, security, interest rate or other economic variable.

  - Credit derivatives risk is the risk associated with the use of derivatives, which is a highly specialized activity that involves strategies and risks different from those with ordinary portfolio security transactions. If the portfolio manager is incorrect in its forecast of default risks, market spreads or other applicable factors, a strategy's investment performance would diminish compared with what it would have been if these techniques were not used. Moreover, even if the portfolio manager is correct in its forecast, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. A strategy's risk of loss in a credit derivative transaction varies with the form of the transaction.

  - Segregation risk is the risk associated with any requirement, which may be imposed on a strategy, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit a strategy's exposure to loss, and the strategy may incur investment risk with respect to the segregated assets to the extent that, aside from the applicable segregation requirement, the strategy would sell the segregated assets.

- **Private Placements (including Private Equity, Venture Capital or Private Investment Funds) Risk**

  Under the Securities Act of 1933, any offer to sell securities must either be registered with the SEC or meet an exemption. Issuers and broker-dealers most commonly conduct private placements under Regulation D of the Securities Act of 1933 (Rules 504, 505 or 506), but there also are other exemptions than those allowed by Reg D. A security offering exempt from registration with the SEC is sometimes referred to as a private placement or an unregistered offering.

  Private and public companies engage in private placements to raise funds from investors. Hedge funds and other private investment funds also engage in private placements.

  No public or other market to buy or sell such private placement securities is available or may ever develop in the future. Private placements, including private equity, venture capital or private investment funds, including investments in managers, secondary transactions, and co-investments, are often speculative, highly illiquid, lack transparency, lack daily pricing, involve a high degree of risk and have high fees and expenses that could reduce returns. Therefore, they are intended for long-term investors who can accept such risks. Also, restrictions on transferring interests in private placements may exist, meaning that selling out of investments may be difficult, if not impossible, and that prospective or existing investors should be prepared to retain their investments in the fund until the fund liquidates. Private placements may borrow money or use leverage for a variety of purposes, which involves a high degree of risk including the risk that losses may be substantial. Lastly, the possibility of partial or total loss of a private placement's capital exists, and prospective investors should not subscribe unless they can readily bear the consequences of such loss.

  Generally speaking, private placements are not subject to some of the laws and regulations that are designed to protect investors, including the comprehensive disclosure requirements that apply to registered offerings. *Private placement memoranda typically are not reviewed by any regulator and may not present the investment and related risks in a balanced light*. Although all issuers relying on a Regulation D exemption are required to file a document called a Form D (including brief information about the issuer, its management and promoters, and the offering itself) no later than 15 days after they first sell the securities in the offering, such Form D filing does not constitute registration. Form D filings can be searched on the SEC's website at sec.gov/edgar/searchedgar/webusers.htm.

  Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client is required to acknowledge that the client is qualified for investment in the fund and acknowledge and accept the various risk factors that are associated with such an investment. Our clients are under absolutely no obligation to consider or make an investment in any private placement investment, including in any private investment fund.
- **Limited Availability Risk**

  Some securities are only available to clients of registered investment advisers or are not available to be held at certain Custodians. This means that a client may not be able to make additional investments in these types of securities, or may be forced to liquidate the position, if the investment advisory relationship between such client and Adviser is terminated and the former client does not engage a registered investment adviser utilizing such securities and/or a custodian that makes available such securities.

- **Convertible Securities Risk**

  A convertible security is a bond, debenture, note, preferred stock, right, warrant or other security that may be converted into or exchanged for a prescribed amount of common stock or other security of the same or a different issuer or cash within a particular period of time at a specified price or formula. A convertible security typically entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities typically have characteristics similar to both debt and equity securities. Convertible securities ordinarily provide a stream of income with typically higher yields than those of common stock of the same or similar issuers and typically rank senior to common stock in a corporation's capital structure but are usually subordinated to comparable nonconvertible securities. Convertible securities typically do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible securities may be affected by any dividend changes or other changes in the underlying securities. An investment in convertible securities is subject to the risks that prevailing interest rates, issuer credit quality and any call provisions may affect the value of the convertible securities.

Real Estate Investment Trusts (REITs) and Real Estate Risk Real estate can be accessed through traditional means, including direct ownership or indirect ownership through stock in private or publicly-traded companies, including real estate investment trusts (REITs), mutual funds, ETFs or through alternative investments in managers who invest opportunistically in private real estate and trade less mainstream real estate-related securities. Such risks include energy or infrastructure, involve a high degree of risk. Risks include the financial conditions of tenants, overbuilding, extended vacancies of properties, changes in building, environmental, zoning and other laws, changes in real property tax rates, changes in interest rates and the availability or terms of debt financing, unavailability of or increased cost of certain types of insurance coverage, casualty or condemnation losses, tax consequences of the failure of a REIT to comply with tax law requirements and other factors not within the control of the general partner, including an outbreak or escalation of major hostilities or other substantial national or international calamities or emergencies. An investment strategy that includes REITs will bear a proportionate share of the REITs' ongoing operating fees and expenses, which may include management, operating and administrative expenses. There can be no assurance that the appraised value of a real estate investment will be accurate or further, that the appraised value would in fact be realized on the eventual disposition of such investment.

REITs have historically been able to diversify stocks and bonds while providing positive returns. They are also subject to legal constraints distinct from common stocks that dictate their sources of revenue (must derive at least 75% of their gross revenue from dividends, interest, rental agreements, and gains from sales of real property or other REITs) and dividend payments (are legally required to pay out at least 90% of their income as dividends to shareholders). Those traits may lead some to classify REITs as an alternative investment. Yet, REITs are still subject to the same risks as other businesses, and they have become more closely integrated with the broader market. So, the diversification benefits they have provided in the past may not hold up as well in the future. As publicly-traded companies, REITs are subject to the same economic and market risks as other publicly-traded firms.

- **Mortgage-related and other asset-backed securities** are subject to certain additional risks. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, an investment in mortgage-backed securities may be subject to additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-backed securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected.

- **Options Transactions Risk**: Options are contracts giving the owner the right to buy or sell an underlying asset, at a fixed price, on or before a specified future date. Options are derivatives (they derive their value from their underlying assets). The underlying assets can include stocks, stock indexes, ETFs, fixed income products, foreign currencies, or commodities. Option contracts trade in various securities marketplaces between a variety of market participants, including institutional investors, professional traders, and individual investors. Options trades can be for a single contract or for several contracts. Adviser sometimes engages in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio. Certain options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept this enhanced volatility and principal risks associated with such strategies. There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, the client must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

- **Environmental, Social and Governance (“*ESG*”) Strategies Risk:** Socially responsible investing involves the incorporation of Environmental, Social and Governance considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. An ESG strategy may forego opportunities to buy certain securities for ESG-related reasons when it might otherwise be advantageous to do so or may sell securities for ESG-related reasons when it might be otherwise disadvantageous for it to do so. There is a risk that the companies selected for an ESG strategy may not perform as expected in addressing ESG considerations. A company’s ESG performance could vary over time, which could cause the strategy to fail to comply with ESG objectives. Interpretations of ESG criteria, and therefore investment decisions based on such interpretations, may vary over time or may be inconsistently applied. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and ETFs are few when compared to those that do not maintain such a mandate. ESG strategies will be subject to the risks associated with their underlying investments’ asset classes. Further, the demand within certain markets or sectors that an ESG strategy targets may not develop as forecasted or may develop more slowly than anticipated. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Adviser), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. Adviser does not recommend or advocate the purchase of, or investments in, ESG securities or funds, but, in instances when clients expressly request that a portion of their portfolio be allocated to ESG securities or funds, Adviser may identify certain securities that are ESG securities or funds for incorporation into (strictly as one, but not the sole, component of) a client’s portfolio.

- **Digital Assets (and Securities With Exposure to Digital Assets)**

Digital assets are anything that exists in binary data which is self-contained, uniquely identifiable, and has a value or ability to use (“***Digital Assets***”). Digital Assets include, but are not limited to, assets that consist of, or are represented by, records in a blockchain or distributed ledger and transferred using blockchain or distributed ledger technology, including so-called "virtual currencies," “cryptocurrencies” (including, Bitcoin, Ethereum, Litecoin, Ripple), "coins" and "tokens" (including virtual coins and tokens offered in an initial coin offering (ICO) or pre-ICO). Distributed ledger technology provides the potential to share information, transfer value, and record transactions in a decentralized digital environment, all without the need for a trusted third-party to verify transactions.

Blockchain is the underlying technology that supports cryptocurrencies, like Bitcoin. It is an open-source, public record-keeping system operating on a decentralized computer network that records transactions between parties in a verifiable and permanent way. Blockchain provides accountability, as the records are intended to be immutable, which presents potential applications for many businesses. While blockchain has often been associated with cryptocurrency, it has many potential uses beyond payments, including smart contracts, supply chain management, and financial services. Note that ownership of Bitcoin or other cryptocurrencies is not an investment in blockchain, the technology, or its current or future uses.

The SEC has stated that some Digital Assets (those offered or sold as an investment contract) are securities, while others are not.

Currently, some of Adviser's Institutional Custodians (as defined in Item 12(A)) do not make available direct spot trading investments in Digital Assets, but they do make available several choices for gaining indirect exposure to the Digital Assets marketplace ("Securities With Exposure To *Digital Assets*"), including:

- **Cryptocurrency coin trusts** (securities that trade over the counter and behave like closed-end funds, representing investments in shares of trusts holding large pools of cryptocurrency), including, as examples, Grayscale Bitcoin Trust, Grayscale Ethereum Trust, Grayscale Litecoin Trust, Osprey Bitcoin Trust or Bitwise 10 Crypto Index Fund).

- **Mutual funds or ETFs that invest in Cryptocurrency future contracts** - purchase of mutual funds or ETF products that invest in cryptocurrency futures contracts (which provides indirect exposure to such future contracts).

- **Cryptocurrency exposure stocks** (stocks that provide indirect exposure to cryptocurrency due to the company's relationship to Digital Assets), including, as examples, Coinbase (a publicly-traded stock in a platform that facilitates the purchase, sale and exchange of cryptocurrencies), or payment services like Square, PayPal or Venmo.

Generally, Digital Assets are deemed to be extremely volatile, with the possibility that the entire value of a Digital Assets investment could disappear. Also, fees and expense ratios related to Digital Assets often are high. Because Adviser currently considers Digital Assets to be a speculative investment, **Adviser does not exercise discretionary authority to purchase Digital Asset investments for client accounts and does not recommend or advocate the purchase of, or investment in, Digital Assets**.

Even though Adviser does not recommend or advocate the purchase of, or investment in, Digital Assets, if a client asks Adviser for a recommendation to gain exposure to Digital Assets, Adviser may identify certain securities that are not Digital Assets but that are Securities With Exposure To Digital Assets, which may be added to a client's portfolio. Adviser will only identify Securities With Exposure To Digital Assets that can be purchased or sold at one or more of Adviser's Institutional Custodians. Any decision as to timing of, or quantity of shares or units subject to, any particular purchase or sale of Securities With Exposure To Digital Assets is at the client's sole discretion.

Also, some of the Directly Affiliated Funds or Indirectly Affiliated Funds may hold indirect positions in Digital Assets or Securities With Exposure To Digital Assets through one or more of the underlying hedge funds that, from time to time, may make and do make allocations to the same.

Clients are cautioned that any purchases of any such Securities With Exposure To Digital Assets should be made only by investors with a diversified portfolio and a long-term investment plan, that such purchases, if any, should be considered primarily for trading purposes outside the traditional portfolio, that high fees and expense ratios are applicable to many Securities With Exposure To Digital Assets and that Securities With Exposure To Digital Assets may experience liquidity constraints, extreme price volatility and complete loss of investment.

- **Foreign Securities and Emerging Market Risk**

If a strategy invests in foreign securities and ADRs, an investment in that strategy has the following additional risks:

- Foreign securities may be subject to greater fluctuations in price than securities of U.S. companies because foreign markets may be smaller and less liquid than U.S. markets;

- Changes in foreign tax laws, exchange controls, investment regulations and policies on nationalization and expropriation as well as political instability may affect the operations of foreign companies and the value of their securities;

- Fluctuations in currency exchange rates and currency transfer restitution may adversely affect the value of the strategy's investments in foreign securities, which are denominated or quoted in currencies other than the U.S. dollar;

- Foreign securities and their issuers may not be subject to the same degree of regulation as U.S. issuers regarding information disclosure, insider trading and market manipulation;

- There may be less publicly available information on foreign companies, and foreign companies may not be subject to uniform accounting, auditing and financial standards as are U.S. companies;

- Foreign securities registration, custody and settlements may be subject to delays or other operational and administrative problems;

- Certain foreign brokerage commissions and custody fees may be higher than those in the U.S.;

- Dividends payable on foreign securities contained in a strategy's portfolio may be subject to foreign withholding taxes, reducing the income available for distribution; and

- Prices for stock or ADRs may fall over short or extended periods of time.

If a strategy invests in emerging markets, an investment in that strategy has the following additional risks:

- Information about the companies in emerging markets may not always be readily available;

- Stocks of companies traded in emerging markets may be less liquid, and the prices of these stocks may be more volatile than the prices of the stocks in more established markets;

- Greater political and economic uncertainties may exist in emerging markets more so than in developed foreign markets;

- The securities markets and legal systems in emerging markets may not be well developed and may not provide the protections and advantages of the markets and systems available in more developed countries;

- Very high inflation rates may exist in emerging markets and could negatively impact a country's economy and securities markets;

- Emerging markets may impose restrictions on a strategy's ability to repatriate investment income or capital;

- Certain emerging markets impose constraints on currency exchange, and some currencies in emerging markets may have been devalued significantly against the U.S. dollar;

- Governments of some emerging markets exercise substantial influence over the private sector and may own or control many companies. As such, governmental actions could have a significant effect on economic conditions in emerging markets; and

- Emerging markets may be subject to less government supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies.

- **Short Selling**

  Short selling involves selling securities that are not owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows a portfolio to profit from declines in market prices to the extent that such declines exceed the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes a portfolio to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise.

- **Commodity investments** may be less liquid and more volatile than other investments. The risk of loss in trading commodities can be substantial because of, but not limited to, volatile political, market and economic conditions. An investor's returns may change radically at any time since commodities are subject, by nature, to abrupt changes in price. Commodity prices are volatile because they respond to many unpredictable factors including weather, labor strikes, inflation, foreign exchange rates, etc. In an individual account, because an investor's position is leveraged, a small move against the investor's position may result in a large loss. Losses may be larger than an investor's initial deposit.

- **Master limited partnerships ("*MLPs*")** Generally, master limited partnerships (MLPs) are exchange-traded investments that are focused on exploration, development, mining, processing, or transportation of minerals or natural resources. MLPs hold cash-generating assets, including oil and gas properties or pipelines MLPs are subject to certain risks, including risks related to limited control and limited rights to vote (governance features that can favor management over other investors), potential conflicts of interest, cash flow risks, dilution risks, limited liquidity, risks related to the general partner's right to force sales at undesirable times or prices and concentrated exposure to a single industry or commodity. Since most MLPs are clustered in the energy sector, they can therefore be sensitive to shifts in oil and gas prices.

(4) Other Key Risks Generally Applicable to Securities

Below is a non-exhaustive list of certain **key risks** generally applicable to securities in the context of investments.

- **Capital Risk**

  Capital risk is one of the most basic, fundamental risks of investing; it is the risk that clients may lose some or all of their principal investments. All investments carry some form of risk, and the loss of capital is generally a risk for any investment instrument.

- **Credit Risk**

  Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

- **Currency Risk**

  Fluctuations in the value of the currency in which clients' investment is denominated may affect the value of their investment and thus, their investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment clients own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, European Union euro, Japanese yen, French franc, etc.).

The value of investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. Currency exchange rates can be volatile and are affected by factors, including general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls and speculation.

The currency market affords investors the possibility of a substantial degree of leverage. This leverage presents the potential for substantial profits but also entails a high degree of risk including the risk that losses may be similarly substantial. Such transactions are considered suitable only for investors who are experienced in transactions of that kind.

- **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

- **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

- **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, clients may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

- **Inflation Risk**

Inflation risk involves the concern that in the future, clients' investment or proceeds from their investment will have less relative purchasing power. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than they are today. Said another way, a dollar tomorrow will likely get clients less than what it can today.

- **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest-paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

- **Legal/Regulatory Risk (including Sanctions Risk)**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Economic sanctions laws in the United States and other jurisdictions prohibit Adviser from transacting with or in certain countries, with certain individuals and companies and dealing in certain securities and instruments. These types of sanctions restrict our investment activities and preclude Adviser from trading in certain securities, including those securities subject to sanctions that are held in client portfolios. Any failure by Adviser to comply with applicable sanctions could result in significant liability and reputational damage to the firm.

Recently, the United States and various other countries imposed broad sanctions in response to the Russian Federation's invasion of Ukraine. These sanctions are designed to isolate Russia from the global financial system. Our compliance with these sanctions laws means that client portfolios will experience a loss to the extent that securities and instruments subject to sanctions are held in the portfolios. In addition, these sanctions are likely to have a material adverse effect on companies whose businesses are linked to Russia. Client portfolios with exposure to these companies will experience a loss in the near term.

- **Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, clients may experience the risk that clients' investment or assets within their investment may not be able to be liquidated quickly, thus extending the period of time by which they may receive the proceeds from their investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

- **Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy, or may affect the market as a whole. Market risk can affect any investment instrument, or the underlying assets or other instruments held by or traded within that investment instrument.

- **Operational Risk**

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced because of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

- **Past Performance**

Charting and technical analysis are terms that are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

- **Strategy Risk**

  There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

8(B) Concentration Risks

Clients who choose to have their investment portfolios heavily weighted in one of few securities, one of few industries or industry sectors, one or few geographic locations, one or few investment managers, or one or few types of investment instruments (equities versus fixed income) will expose themselves and their portfolios to greater risk of value decline and higher volatility. Clients who have diversified portfolios, as a general rule, experience less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings offer the potential for higher gain, but also offer the potential for significant loss.

Some investors are hesitant to mitigate concentration risk due to multiple reasons, including potential tax implications, emotional factors and regulatory constraints. Adviser can prepare a financial plan that reflects the impact that price fluctuations could have on a client's ability to accomplish such client's short and long-term goals and also to help determine the assets needed to achieve such goals. Once a client understands the overall impact and determines the risk such client is willing to accept, Adviser is able to develop techniques to diversify such client's assets while taking into consideration such client's potential tax liability.

8(C) Operations Risks

Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and the systems of third parties with which Adviser does business or that facilitate our business activities (e.g., vendors). Like other financial services firms, Adviser and its third-party providers are targets of unauthorized access, mishandling or misuse, computer viruses or malware, cyber-attacks, denial of service attacks and other events. These risks could jeopardize the personal, confidential, proprietary, or other information of Adviser, clients or any counterparties processed and stored in, and transmitted through, the computer systems of Adviser and our third-party providers. Although Adviser has implemented various measures to manage risks relating to these types of events, including a business continuity plan, if our systems, or those of our third-party service providers, are compromised, become inoperable or cease to function properly, Adviser and its affected third-party service providers may have to make a significant investment to fix or replace them. The failure of these systems and/or of a disaster recovery plan for any reason could cause a significant interruption or malfunctions in the operations of Adviser and our third-party service providers, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients, which could result in reputational damage, client dissatisfaction or claims that may adversely affect the business, financial condition or results of operations of Adviser. The increased use of smartphones, tablets and other mobile devices, and the ever-increasing use of telecommunications to conduct meetings, may heighten these risks.

Item 9 Disciplinary Information

The purpose of this item is for Adviser to disclose to any prospective or existing client any legal, disciplinary, or other events that they may consider material in their evaluation of Adviser or the integrity of our management.

9(A) Criminal or Civil Actions

There is nothing to report on this item.

9(B) Administrative Enforcement Proceedings

There is nothing to report on this item.

9(C) Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10 Other Financial Industry Activities and Affiliations

10(A) Broker-Dealer Registration

Neither Adviser, nor its representatives, are registered or have an application pending to register, as a Custodian or a registered representative of a Custodian.

10(B) Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor

Related Person: **Bradley J. Rathe**, an advisory affiliate of Adviser, is the manager and sole member of **Astor Janssen Holdings, LLC**, a commodity pool operator and a commodity trading advisor.

Conflict of interest: Adviser may refer clients to Astor Janssen Holdings, LLC to obtain services relating to commodities, and Mr. Rathe may receive income directly from any such clients for those services.

How Adviser Addresses the Conflict(s): No client is under any obligation to engage Astor Janssen Holdings, LLC or Mr. Rathe for commodity related services, and no Astor Janssen Holdings, LLC client is under any obligation to engage Adviser for investment advisory services. Clients are reminded that they can obtain services relating to commodities from persons other than Astor Janssen Holdings, LLC or Mr. Rathe, and Astor Janssen Holdings, LLC clients are reminded that they can obtain investment advisory related services from persons other than Adviser. Adviser does not receive any fees from Astor Janssen Holdings, LLC or from Mr. Rathe for these referrals.

10(C) Material Relationships Maintained by this Advisory Business and Conflicts of Interest

The purpose of this section is to address any relationship or arrangement (that is material to (1) our advisory business or (2) clients) that Adviser or any of our management persons have with any of our related persons that meet certain categories as identified by the Form ADV. Those categories are listed below and in the event that Adviser has a related person that is included in one of those categories, Adviser will address not only the relationship or arrangement that is material to our advisory business or clients but also any conflict(s) arising out of this relationship/arrangement and how Adviser addresses such conflict(s).

Administrator for Employee Benefit Plans. Adviser serves as an administrator to employee benefit plans. In this capacity, Adviser may provide services including, but not limited to, plan design and installation, plan and participant reporting, plan testing, plan accounting, loan distributions, and comprehensive plan record-keeping. All client accounts are regulated under the Employee Retirement Income Securities Act (“ERISA”). Typically, the named plan fiduciary is responsible for the determinationof retaining the services of investment advisers and third-party administrators. The plan fiduciary is free to seek independent advice about the appropriateness of any services for the plan that may be recommended by Adviser. **No client is required to engage Adviser in its capacity as an administrator for employee benefit plans.**

General Partner or Managing Member to Affiliated Private Investment Funds.

Adviser is the General Partner or Managing Member of the Directly Affiliated Funds (see Item 4(B)(1) above, under Affiliated Private Investment Funds, for a list of these specific funds). Adviser no longer refers clients to invest in the Directly Affiliated Funds. No client is under any obligation to make an investment in the Directly Affiliated Funds. An affiliate, Waverly Funds Group, LLC, serves as the general partner to private funds managed by Adviser

Adviser is also the Investment Manager to the Indirectly Affiliated Funds (see Item 4(B)(1) above, under Affiliated Private Investment Funds, for a list of these specific funds).

The Directly Affiliated Funds and Indirectly Affiliated Funds are subject to a number of actual and potential conflicts of interest. Certain inherent conflicts of interest arise from the fact that Adviser, in its role as the Investment Manager and the General Partner, will provide Investment Management Services both to the Directly Affiliated Funds and Indirectly Affiliated Funds and for other clients, including other investment funds and managed accounts. The respective investment programs of the Directly Affiliated Funds or Indirectly Affiliated Funds and the other client accounts managed by Adviser may or may not be substantially similar.

Adviser, and its respective members, partners, officers and employees, will devote to the Directly Affiliated Funds or Indirectly Affiliated Funds as much time as Adviser deems necessary and appropriate to manage the Directly Affiliated Funds or Indirectly Affiliated Funds' business, respectively. Adviser is not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities can be in competition with the Directly Affiliated Funds or Indirectly Affiliated Funds and/or can involve substantial time and resources of Adviser. These activities could be viewed as creating a conflict of interest in that the time and effort of our members, partners, officers or employees will not be devoted exclusively to the business of the Directly Affiliated Funds or Indirectly Affiliated Funds.

Accounting Services or Accounting Firms.

Related Person: One or more supervised persons of Adviser are licensed as a certified public accountant (CPA) with **Wall Titus, LLC**, an accounting and consulting firm providing compliance, tax, and consulting services to clients. **Hosler Lee Wall** owns an ownership interest in Wall Titus, LLC and spends approximately 20% of his time providing advice to clients of the accounting firm and approximately 80% of his time managing securities & investment advice. When acting in this capacity, those supervised persons with the proper CPA designation may receive compensation for providing such services. Therefore, Clients of Wall Titus, LLC may also be clients of Adviser.

Hosler Lee Wall-also holds ownership interests in the following entities:

- • 15% ownership in Imperial Lands, LLC (Land Development);
- • 73% ownership in WFT, LLC (Commercial Property/Building);
- • 50% ownership in Capital Access Partners, LLC (Corporate M&A Consulting)
- • 50% ownership in Capital Access Group, Inc. (Corporate Intermediary Services)

Conflict: The various entities mentioned above in which Hosler Lee Wall holds an ownership interest and Adviser have or may have clients in common. Adviser recommends, as appropriate, those entities' services to our investment advisory clients and Hosler Lee Wall or those entities recommend our services, as appropriate, to their clients. Because of the affiliated person status between a Supervised Person of Adviser and such entities, the recommendation by an Adviser representative that a client engage any of such entities or Hosler Lee Wall, or the recommendation by any of such entities or Hosler Lee Wall that a client of such entities engage Adviser, presents a conflict of interest.

How Adviser Addresses the Conflict(s): Adviser has openly outlined the relationship between Adviser, Hosler Lee Wall and the entities in which he holds an ownership interest in the interest of full disclosure. No client is under any obligation to engage Hosler Lee Wall or any entities in which he holds an ownership interest for any services, and no client of Hosler Lee Wall or any entities in which he holds an ownership interest is under any obligation to engage Adviser for investment advisory services. Clients, and clients of Hosler Lee Wall or any entities in which he holds an ownership interest, are reminded that they can obtain services, in each case, from any non-affiliated persons of their choice.

Related Person: One of our supervised persons, **Brian Hershberger**, also provides tax and accounting services to individuals and businesses through **Omni Wealth Advisors, Inc**. The accounting service provided by our representative, in his capacity as a certified public accountant, includes certain advising and consulting activities that are separate and distinct from our advisory services. The time that our representative devotes to these accounting activities may range from 25 to 35 percent, depending on his client's needs and the time of the year.

Conflict: Omni Wealth Advisors, Inc and Adviser have clients in common. Adviser recommends, as appropriate, Omni Wealth Advisors, Inc. services to our investment advisory clients and Omni Wealth Advisors, Inc. recommends our services to Omni Wealth Advisors, Inc.'s tax and accounting clients. Because of the affiliated person status between a Supervised Person of Adviser and Omni Wealth Advisors, Inc., the recommendation by an Adviser representative that one of our clients engage Omni Wealth Advisors, Inc., or the recommendation by an Omni Wealth Advisors, Inc. representative that an Omni Wealth Advisors, Inc. client engage Adviser, presents a conflict of interest.

How Waverly Addresses the Conflict(s): Waverly has openly outlined the relationship between Waverly, Omni Wealth Advisors, Inc. and Brian Hershberger in the interest of full disclosure. No client is under any obligation to engage Omni Wealth Advisors, Inc. or Brian Hershberger for tax or accounting services, and no Omni Wealth Advisors, Inc. client is under any obligation to engage Waverly for investment advisory services. Clients are reminded that they can obtain accounting services, and Omni Wealth Advisors, Inc. clients are reminded that they can obtain investment advisory services, in each case, from any non-affiliated persons of their choice.

Related Person: Several of our supervised persons, including Markus R. F. Sleuwen, the CCO of Waverly, and **Chad E. Hassinger**, a member of the Operating Board of Waverly, are owners of IQ Companies, LLC, a holding company that owns a 49% interest in **StrategIQ Tax and Business® Services, LLC**, a limited liability company organized under laws of Delaware ("***STBS***"). STBS is an accountancy firm that provides bookkeeping, tax and business services.

Conflict: STBS and Adviser have clients in common. Adviser recommends, as appropriate, STBS' services to our investment advisory clients and STBS recommends our services to STBS' accounting, tax or payroll clients. Because of the affiliated person status between an Officer of Waverly, an Operating Board member of Waverly and various other Supervised Persons of Waverly, on one side, and STBS, on the other side, the recommendation by an Adviser representative that one of our clients engage STBS, or the recommendation by an STBS representative that an STBS client engage Adviser, presents a conflict of interest.

How Adviser Addresses the Conflict(s): Adviser has openly outlined the affiliate relationship between Adviser and STBS in the interest of full disclosure. No client is under any obligation to engage STBS for accounting services, and no STBS client is under any obligation to engage Adviser for investment advisory services. Clients are reminded that they can obtain accounting services and STBS clients are reminded that they can obtain investment advisory services, in each case, from any non-affiliated persons of their choice.

Related Person: **Warren Averett, LLC**, an accounting firm, directly or indirectly through one or more of its affiliated persons, owns units of one or more entities comprised in the Waverly Affiliated Group.

Conflict: Adviser has an agreement in place with Warren Averett, LLC or one of its affiliates pursuant to which Warren Averett, LLC or such affiliate is required to pay to Adviser compensation for any referral made by Adviser to third parties to engage the services of Warren Averett, LLC or any of its affiliates. Our recommendation of Warren Averett presents a conflict of interest, as its receipt of compensation may provide an incentive to recommend Warren Averett based on the compensation to be received, rather than on a particular client's need.

How Adviser Addresses Conflicts: Adviser has taken steps to mitigate these conflicts of interest. Adviser has openly outlined the affiliate relationship between Adviser and Warren Averett, LLC in the interest of full disclosure. No client is under any obligation to engage Warren Averett, LLC for accounting services, and no Warren Averett, LLC client is under any obligation to engage Adviser for investment advisory services. Clients are reminded that they can obtain accounting services and Warren Averett, LLC clients are reminded that they can obtain investment advisory services, in each case, from any non-affiliated persons of their choice.

Other Investment Advisers.

Related Persons: Certain of our investment adviser representatives are also investment adviser representatives of another investment adviser for a transitional period after Adviser's purchase of the investment advisory business of such other investment adviser.

Conflict: The recommendation by our representatives that a client receive investment advisory services from such other investment adviser presents a conflict of interest, as the receipt of Adviser Fees may provide an incentive to recommend advisory services based on Adviser Fees to be received, rather than on a particular client's need.

How Adviser Addresses the Conflict(s): Because Adviser has purchased the investment advisory business of such other investment adviser, such other investment adviser is deemed an affiliated registrant. The services provided by such affiliated registrants are transitional and temporary in nature and conclude upon their filing of an ADV-W, generally within several months of Adviser's purchase of the investment adviser's business. The affiliated registrants do not accept new advisory clients after Adviser's purchase of their investment advisory business. Also, generally, the investment advisory fees charged by Adviser and such affiliated registrants during such transition period are identical, so there is no monetary incentive for allocating services among the investment advisors.

Legal Services or Law Firm.

Related Person: Our CCO**, Markus R. F. Sleuwen**, is also the managing director and sole member of **Global Counsel, LLC**, organized under the laws of Illinois, operating as a law firm.

Conflict: Adviser may refer our clients requiring legal services to Global Counsel, LLC or Mr. Sleuwen, and Mr. Sleuwen may receive income directly (or indirectly through Global Counsel, LLC) from any such clients for those services.

How Adviser Addresses the Conflict(s): No client is under any obligation to engage Global Counsel, LLC or Mr. Sleuwen for legal services, and no client of Global Counsel, LLC is under any obligation to engage Adviser for investment advisory services. Clients are reminded that they can obtain legal services from persons other than Global Counsel, LLC or Mr. Sleuwen, and Global Counsel, LLC clients are reminded that they can obtain investment advisory-related services from persons other than Adviser. Adviser does not receive any fees from Global Counsel, LLC or Mr. Sleuwen for any referrals to Global Counsel, LLC or Mr. Sleuwen.

National Advisors Trust Company

Related Persons: Adviser is a shareholder of **National Advisor Holdings, Inc.** ("***NAH***"). **National Advisors Trust Company**, ("***NATC***") a national trust company chartered through the Office of Thrift Supervision, is a wholly owned subsidiary of NAH. Approximately 120 advisory firms located in over 40 states own equity interests in NAH. Adviser holds less than 1.0% in the aggregate of the outstanding stock of NAH. NATC provides custody, banking, and trust services to clients of registered investment advisory firms,such as Adviser, across the United States.

Similarly, **StrategIQ Financial Group, LLC** is a shareholder of **NAH** that holds less than 1.0% in the aggregate of the outstanding stock of NAH. Several of our supervised persons, including **Markus R. F. Sleuwen**, the CCO of Waverly, and **Chad E. Hassinger**, a member of the Operating Board of Waverly, are owners of IQ Companies, LLC, a holding company that owns a 100% interest in **StrategIQ Financial Group, LLC**.

The mission of NATC is to support the delivery of trust and custody services to the clients of its shareholders. Consistent with this endeavor, Adviser uses a Trust Representative Office of NATC to support the fiduciary needs of clients who, through their estate planning efforts, prefer to continue to maintain their relationship with their investment advisory firm.

Conflict: Adviser may recommend NATC to its advisory clients seeking trust services. The grantor in a trust agreement would name Adviser as the investment manager with discretion to manage the trust estate, and the agreement would also provide that the Trust Representative Office of NATC discharge the administrative, distribution and custodial responsibilities of the trust. Because Adviser has an interest in NAH, and therefore indirectly has an interest in NATC, and because several supervised persons of Adviser who are owners of IQ Companies, LLC have an indirect interest in NAH and NATC, Adviser and such supervised persons have an economic incentive to recommend NATC's services so that they benefit by realizing a profit in the form of dividends or corporate distributions from NATC, in addition to any investment advisory fees received by Adviser under the trust agreement. Given such indirect equity ownership in NATC, a recommendation to utilize the Trust Representative Office of NATC presents a conflict of interest.

How Adviser Addresses the Conflict(s): Adviser has a fiduciary duty to clients and is required not to place our interests, or those of its employees and owners, ahead of those of clients. Further, Adviser has openly outlined the ownership relationship between Adviser and certain supervised persons of Adviser, on one side, and the Trust Representative Office of NATC, NAH and NATC, on the other side, in the interest of full disclosure. No client is under any obligation to engage the Trust Representative Office of NATC or NATC to perform the administration, distribution or custodial responsibilities of the trust.

<u>Donor Advised Funds</u>.

Related Person: Adviser and **Renaissance Charitable Foundation** ("***RCF***") have two agreements in place, a DAF Services Agreement and an Investment Advisory Agreement, pursuant to which RCF sponsors and operates a Donor Advised Fund Program under the name "Strategic Financial Group Charitable Giving Fund Program" ("***RCF DAF Program***") and Adviser is appointed by RCF as investment manager of the RCF DAF Program. Adviser has no relationship with RCF other than such contractual relationships. Adviser may have a relationship with other foundations that sponsor donor advised fund programs ("***Other DAF Program***") pursuant to which Adviser is appointed as investment manager of such Other DAF Programs (any such other foundation, including Unity Foundation of LaPorte County, Inc., "***Other Sponsor***").

Conflict: Adviser has a conflict of interest in making a recommendation to a prospective or existing client to use the RCF DAF Program or Other DAF Program because Adviser serves as investment manager to the RCF DAF Program or Other DAF Program and receives investment advisory fees from RCF or Other Sponsor for our Investment Management Services to RCF or Other Sponsor. Adviser has an economic incentive to make a recommendation to a prospective or existing client to use the RCF DAF Program or Other DAF Program to earn an investment advisory fee that it would not earn if the donor advised fund was not established under the RCF DAF Program or Other DAF Program. Once RCF receives a completed donor advised fund application signed by a prospective or existing client, RCF sets-up a donor advised fund under the RCF DAF Program per the terms of the DAF application, the DAF Circular and any other documents or laws applicable to the RCF DAF Program. Other Sponsors have similar donor advised fund initial set-up processes for their Other DAF Programs. Any funds that are contributed to any donor advised fund that is part of the RCF DAF Program or Other DAF Program (including contributions of funds from other existing donor advised funds) are the ownership of RCF or the Other Sponsor, respectively. Adviser has no client relationship with any prospective or existing client with respect to any donor advised fund, except one client, the sponsoring foundation and owner of the funds of the donor advised fund, which is RCF or Other Sponsor in the case of any donor advised fund that is part of the RCF DAF Program or Other DAF Program, respectively. The investment advisory fee paid by RCF or Other Sponsor to Adviser for Investment Management Services may be lower or higher than (1) the investment advisory fee paid by clients to our firm for assets that are owned by clients or (2) the investment advisory fee paid by other foundations to the investment managers of donor advised fund programs sponsored by such foundations. Also, the fees charged by RCF or Other Sponsor to a donor advised fund under the RCF Program or Other DAF Program, respectively, for administrative services of RCF or Other Sponsor to such donor advised fund may be lower or higher than the administrative fees charged by other foundations with respect to their sponsored donor advised fund programs. Adviser believes that RCF's administrative fees and the total overall fees charged to each donor advised fund in connection with the RCF DAF Program are competitive within the donor advised fund industry.

How Adviser Addresses the Conflict(s): Prospective or existing clients are under no obligation to use the RCF DAF Program or any Other DAF Program. The grant advisor appointed by any prospective or existing client that initially sets-up a DAF has the authority to recommend to RCF or Other Sponsor (1) the contribution of all funds in such donor advised program to another qualified charity, including any donor advised fund at another sponsoring foundation, and (2) the selection of another investment adviser for such donor advised program sponsored (upon the implementation of either of which, such donor advised program would cease to be part of the RCF DAF Program or Other DAF Program).

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

11(A) Code of Ethics Description

Adviser takes great pride in our commitment to serving the needs of our clients and the integrity with which Adviser conducts our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

Adviser has adopted and enforces a Code of Ethics ("***Code of Ethics***") in accordance with Rule 204A-1 of Advisers Act. All access persons of Adviser are subject to the Code of Ethics. The Code of Ethics is designed to prevent the misuse of material, non-public information by Adviser or any of our access persons. The Code of Ethics sets forth specific provisions relating to personal securities transactions, gifts and entertainment, outside business activities and confidentiality to ensure that the interests of Adviser, its investment adviser representatives and any access persons are not given preference over those of clients. Each access person of Adviser has been furnished with a copy of the Code of Ethics and has acknowledged in writing his or her review of the Code of Ethics. A copy of the Code of Ethics is available to all prospective or existing clients upon request.

Adviser maintains an investment policy relative to personal securities transactions. This investment policy is part of our overall Code of Ethics, which serves to establish a standard of business conduct for all of our access persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

11(B) Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Adviser does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory).

Neither Adviser nor any related person of Adviser recommends, buys, or sells for client accounts, securities in which Adviser or any related person of Adviser has a material proprietary or ownership interest.

As disclosed above, Adviser has a material financial interest in certain private investment funds. The terms and conditions for participation in such private investment funds, including management fees, conflicts of interest, and risk factors, are set forth in the private investment funds' offering documents.

Refer below to **Item XI(C)**.

11(C) Advisory Firm or Related Persons Purchase of Same (or Different) Securities Recommended to Clients and Conflicts of Interest

Adviser, its affiliates, owners, employees (non-clerical) and investment adviser representatives, and the immediate families of each of them, and their respective trusts, estates, charitable organizations and retirement plans, (such related persons of Adviser, "***Related Persons***") are permitted to invest for their own accounts and sometimes purchase or sell for their own account (i) some of the same securities as Adviser (in our discretion) purchases or sells for clients or (ii) some securities that differ from those that Adviser (in our discretion) purchased or sold for other clients. Such personal securities transactions by Related Persons or by Adviser for any Related Person raise potential conflicts of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Adviser did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of our clients) and other potentially abusive practices.

Adviser has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of our "Access Persons". Our personal securities transaction policy requires that an Access Person of Adviser must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Adviser selects; provided, however that, at any time that Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

11(D) Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Adviser and/or representatives of Adviser may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Adviser and/or representatives of Adviser are able to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Adviser has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of our Access Persons.

Item 12 Brokerage Practices

12(A) Factors Used to Select Custodians for Client Transactions

(1) Custodian Recommendations

Adviser participates in the institutional customer programs offered by the following Custodians (collectively, "***Waverly's Institutional Custodians***"):

1) Fidelity BrokerageServices LLC, and National Financial Services, LLC (collectively "***Fidelity***")
2) Charles Schwab and Company, Inc. ("***Schwab***")
4) Mid Atlantic Trust Company ***("MATC")***
5) PershingAdvisor Solutions, LLC ***("Pershing***")
6) Raymond James and Associates, Inc. ("***Raymond James***")
7) Trade-PMR, Inc. ("***Trade-PMR***")

Adviser's Institutional Custodians are all independent, unaffiliated SEC-registered broker-dealers and FINRA members. Through these programs, Adviser's Institutional Custodians offer various services to independent investment advisers, including custody of securities, trade execution, and clearance and settlement of transactions. Adviser and clients receive some benefits from the Custodians through our participation in these programs.

In the event that a client requests that Adviser recommend a Custodian for execution and/or custodial services (exclusive of those clients that may direct Adviser to use a specific Custodian), Adviser generally recommends that Assets Under Management be maintained at one or more of Adviser's Institutional Custodians. Adviser seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. Adviser considers a wide range of factors, including the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capabilities to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- availability of investment research and tools that assist Adviser in making investment decisions
- quality of services
- competitiveness of the price of those services (transaction fees, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to Adviser and our clients (or Waverly acquired firms or hired investment adviser representatives, or Adviser acquired clients)
- the identity of the custodian that served as custodian of Assets Under Management of a particular client immediately before such client became a client
- availability of other products and services that benefit Adviser, as discussed below

Prior to engaging Adviser to provide Investment Management Services, the client will enter into a separate custodial/clearing agreement with each designated Custodian.

In certain instances, and subject to approval by Adviser, Adviser will recommend to clients certain Custodians other than Adviser's Institutional Custodians, including **National Advisors Trust Company**, based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the Custodian, the cost and quality of the services, and the reputation of the Custodian. Clients are advised that Custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of a client.

Trade-PMR related Additional Information. Trade-PMR clears trades and custodies assets with First Clearing, both FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members.

In addition, Trade-PMR provides Adviser with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, Adviser may receive the following benefits from Trade-PMR: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

(2) Research and Benefits

In evaluating whether to have an institutional customer program in place with, or to recommend that clients custody their assets at, a particular custodian, Adviser takes into account the availability of some of the support services or products that may be available to or received by Adviser from, and any other arrangements that may be available with, such custodian, in each case, as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian. This may be perceived as, or may constitute, a conflict of interest.

The support services or products that may be available to, or received by, Adviser from Adviser's Institutional Custodians or any other Custodian's investment platform, mutual fund sponsors, or unaffiliated investment managers, generally are provided by them on a gratuitous or discounted basis, and may include:

- software and other technology that provides access to client account data and assists Adviser to better monitor or service client accounts maintained at such Custodians,
- investment-related research,
- pricing information and market data,
- software and other technology that facilitates payment of our Adviser Fee from clients' accounts,
- compliance and/or practice management-related publications,
- discounted or gratuitous consulting services,
- discounted and/or gratuitous attendance at conferences, meetings, and other educational and/or social events,
- marketing support,
- computer hardware and/or software/ and/or
- other products used by Adviser in furtherance of its investment advisory business operations (collectively, "***Custodian Products/Services***").

Adviser believes that these relationships are in the best interest of our clients, as a whole, and supported by the scope, quality, and price of the services of such Custodians.

As indicated above, certain of the Custodian Products/Services may assist Adviser in managing and administering client accounts. This benefits Adviser because Adviser does not need to perform such services, produce such products or pay the full price for such services or products. While the availability or receipt of Custodian Products/Services is not contingent upon Adviser committing any specific aggregate amount of transaction fees to any applicable Custodian, the existence of any minimum threshold of Assets Under Management for the availability or receipt of Custodian Products/Services gives Adviser an incentive to recommend that clients maintain their accounts with such any applicable Custodian based on our interest in receiving such Custodian Products/Services for the benefit of our business, rather than based on client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a conflict of interest.

Adviser believes, however, that its recommendation to a client of a particular Custodian is in the best interest of such client because such selection is supported, as a whole, by the scope, quality, and price of the services of such Custodian, and not any Custodian Products/Services of such Custodian that benefit only Adviser. By committing to maintaining a minimum amount of Assets Under Management at a Custodian, clients may receive preferential negotiated pricing or get access to certain share classes of a specific security not available to retail customers of such Custodian. Our clients do not pay more for investment transactions effected and/or assets maintained at any of Adviser's Institutional Custodians or any other Custodians.

Please Note: Notwithstanding any such benefits to institutional accounts, the transaction fees or other brokerage execution fees charged by such Custodians to clients, or the net interest rate spread applicable to cash or cash equivalents held by such Custodians (the difference between the average yield that such qualified custodian receives when lending money or otherwise put money to work and the lower interest rates or yields that clients receive as return with respect to such cash or cash equivalents in the Custodian's sweep account) may be higher than those of other Custodians. During times of low interest rates (and inflation), because the yields applicable to cash or cash equivalents are small as a result of such low interest rates, the impact on clients of any net interest rate spread differences among Custodians is often de minimis. However, as interest rates increase, significant allocations to cash or cash equivalents may result in more substantial net interest rate spread differences among Custodians. In such circumstances, Adviser or a particular client may decide that such cash or cash equivalents should not to be held for extended periods of times in sweep accounts that yield returns that are substantially below the interest rates that can be obtained when investing the cash or cash equivalents in money market funds, but rather should be invested in money market funds (or even be held in certificates of deposit at bank accounts). As interest rates and net interest rate spreads differences increase, it is appropriate for Adviser or any client to reconsider the balance between the advantage of a better return against the downsides that the sale of money market investments may not be settled immediately and, as a result, clients may need to wait one or more days to receive distributions or Adviser may not be able to be as opportunistic because of its inability to react immediately to opportunities that may arise.

Please Also Note: As disclosed in detail under the heading **National Advisors Trust Company** ("**NATC**") (see **Item 10** – Other Financial Industry Activities and Affiliations), Adviser and certain supervised persons of Adviser have indirect ownership interests in NATC. This creates an inherent conflict of interest, given that Adviser sometimes recommends NATC as a custodian for client accounts and as a corporate trustee. Adviser has a fiduciary duty to clients and is required not to place our interests, or those of its employees and owners, ahead of those of clients. Further, Adviser has openly outlined the ownership relationship between Adviser and certain supervised persons of Adviser, on one side, and the Trust Representative Office of NATC and NATC, on the other side, in the interest of full disclosure. No client is under any obligation to engage the Trust Representative Office of NATC or NATC to perform the administration, distribution or custodial responsibilities of the trust.

(3) Schwab Advisor Network®

Adviser receives client referrals from Schwab through our participation in Schwab Advisor Network®. This referral service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Adviser. Schwab does not supervise Adviser and has no responsibility for our Investment Management Services with respect to our clients or our other advice or services. Adviser pays Schwab fees to receive client referrals through the Service. Our participation in the Service raises conflicts of interest as described below.

Adviser pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Adviser is a percentage of the fees the client owes to Adviser or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Adviser pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Adviser quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Adviser and not by the client. Adviser has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Adviser charges clients with similar portfolios who were not referred through the Service.

Adviser generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Adviser will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Adviser will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our Adviser Fees directly from their accounts.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Adviser may have an incentive to cause trades to be executed through Schwab rather than another Custodian. Adviser, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different Custodian than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

(4) Directed Brokerage

Adviser does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific Custodian). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that Custodian, the client will monitor investments held at such Custodian, Adviser will not seek better execution services or prices from other broker-dealers and Adviser will not "batch" the client's transactions for execution through the other Custodian with orders for accounts of other clients managed by Adviser. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that a client directs Adviser to effect securities transactions for the client's accounts through a specific Custodian, the client hereby is advised that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur, had the client determined to effect account transactions through alternative clearing arrangements that may be available through Adviser. Higher transaction costs adversely impact account performance. **Please Also Note**: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

(5) Best Execution

Adviser recommends that clients establish brokerage accounts with specific Custodians to maintain custody of clients' Assets Under Management and to effect trades for their accounts. Such accounts may be prime broker eligible so that, if and when the need arises to effect securities transactions at broker-dealers other than any of Adviser's Institutional Custodians ("***executing brokers***"), such broker-dealers will accept delivery or deliver the applicable security from/to the executing broker. Some Custodians charge a "trade away" fee (trade effected at another broker), which is charged against the client account for each trade away occurrence. Clients should consult their current custodian for policies and fees concerning prime broker accounts and trade away fees or they can always ask their advisor for a description of costs.

Adviser recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. Adviser follows processes in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include the following:

- The financial strength, reputation, and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or transaction fees, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance, and settlement
- Block trading and positioning capabilities

- Performance measurement
- Online access to computerized data regarding client accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Trading fees
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, Adviser seeks to ensure that clients receive best execution with respect to all of their transactions. To the best of Adviser's knowledge, each of Adviser's Institutional Custodians provides high-quality execution, and clients do not pay higher transaction costs in return for such execution.

Many of the trades that Adviser places on a given trading day are placed with each applicable custodian as part of a block trade (see Order Aggregation below). Some trades that Adviser places on a given trading day are placed with each applicable custodian at different times throughout such trading day and not as part of any block trade (see subsection (3) below titled Trading Frequency).

Custodians establish fees and costs that are applicable to trades. These fees and costs depend on various factors, including the type of security, the means of placing the order, the length of holding the security, or the exchange on which the security is being traded. Transactions with respect to certain securities may not trigger any transaction fees, at all. Transactions with respect to other securities may be subject to fees. These fees may be assessed as a flat fee directly by the custodian per transaction against the client account in which the transaction is taking place.

The commissions and/or transaction fees paid by our clients (to the extent that such transaction fees or commissions are charged by Custodians) are subject to our duty to obtain best execution. Based upon our own knowledge of the securities industry, Adviser believes that the transaction fees charged by Adviser's Institutional Custodians are competitive within the securities industry. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction (to the extent that a transaction fee is payable) represents the best qualitative execution, taking into consideration the full range of Custodian services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Adviser will seek competitive rates, it may not necessarily obtain the lowest possible commissions or transaction fees for client account transactions. As a result, clients may pay commissions or transaction fees to Adviser's Institutional Custodians that are higher than those charged to effect the same transactions by other Custodians, where Adviser determines, in good faith, that the commission/transaction fees are reasonable. The brokerage commissions or transaction fees charged by the designated Custodian are exclusive of, and in addition to, our Adviser Fee. Our best price execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. Adviser regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty.

(6) Order Aggregation

Under our procedures, purchases or sales of a particular security for accounts of clients sometimes are aggregated or "bunched" or "blocked" with purchases or sales of the same security for other clients that are received and entered during the same trading day. Orders for a particular security entered during a particular trading day may be aggregated with any previously entered orders for the same security which have not yet been filled (and may also be aggregated with previously entered filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure). These aggregations may occur firm-wide or may be segmented into subgroups (for example, on a geographic or regional basis or on a per investment advisor basis, including in connection with Legacy Groups/Individuals).

Once our trading department (or such region/geographic or advisor-based subgroup) has decided which trades to bunch, it places one block order <u>per applicable custodian</u> for the aggregate amount of shares of such security subject to the block trade at such custodian. Such blocked order may be placed toward the end of the applicable trading day. Sometimes, including in situations of extreme financial markets volatility, Adviser may place a blocked trade at an earlier time of the trading day, if Adviser deems this to be in the best of interests of our clients. All client accounts at each custodian that participate in one block order will receive an average execution price based on all of the executed fills at such custodian.

Bunching does not guarantee the lowest possible price for execution - instead, aggregation is intended to reduce the overall volatility in execution price for several orders relating to the same security that, if not bunched together, may experience significantly different execution prices. Bunching may also result in more favorable commission rates or a more equitable allocation of commissions or other transaction costs among our clients that might have been obtained had such trades been placed independently. Adviser believes that, over time, aggregation of orders is fair and equitable to all of our clients.

Any transactions that are not bunched, will be effected independently. Adviser may (but is not obligated to) combine or "bunch" trades any orders. Adviser does not receive any additional compensation or remuneration as a result of the aggregation of any trades.

(7) Allocation of Trades

If trade allocations are required, they will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in order, considering all relevant factors, including the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

(8) Securities Allocations

Since Adviser manages accounts with similar investment objectives, Adviser sometimes aggregates orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Adviser in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

Adviser's allocation procedures seek to allocate investment opportunities among clients fairly, taking into account clients' best interests. Adviser will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any Adviser client or group of clients. Account performance is never a factor in trade allocations.

Waverly's advice to certain clients and any action of Waverly for those and other clients are frequently premised not only on the merits of a particular investment but also on the suitability of that investment for the particular client in light of his or her applicable investment objectives, overall or account-specific risk tolerances, guidelines, and circumstances. Thus, any action of Adviser with respect to a particular investment can, for a particular client, differ or be opposed to the recommendations, advice, or actions of Adviser to or on behalf of other clients.

While Adviser will aggregate trades, there are reasons for executing a particular trade outside of a block trade, including:

- the type of security subject to the trade,
- the timing of the availability of cash or cash equivalents in the account necessary to execute a purchase,
- the timing of the trading department's receipt of the request to place a trade,
- the type of trade order that is being requested (market order, limit order or stop order),
- the specific reason for the placement of the trade,
- the degree of volatility applicable to the financial market, as a whole, or a particular segment of the financial market, or the specific security subject to the trade, or
- specific events, news, or disclosures that relate to the specific security subject to the trade.

Furthermore, there are instances when, because of, or in connection with, discussions with a particular client, the specific investment adviser representative assigned to such client may request that our trading department place an individual trade (or, in some circumstances, may directly place an individual trade through the applicable custodian's portal or by means of a phone call to the applicable custodian). There also are instances when a particular client places an unsolicited trade request.

As an investment manager, Adviser's primary focus is to invest on behalf of our clients in securities with the general intention of holding such securities for extended periods of time. The impact of execution time lapses on the price of many securities during any given trading day, except in situations of extreme financial market volatility, is generally minimal in the context of investing. The reason is that investing (as compared to trading - see description of Trading in the discussion of Investment Strategies in Item 8(A)(4) above) generally seeks larger returns over extended periods through buying and holding. Trading, by contrast, takes advantage of both rising and falling markets to enter and exit positions over a substantially shorter time frame, taking smaller, more frequent profits (or losses).

(9) Trading Errors

Adviser generally defines "trade error" as the execution of a transaction on behalf of a client on terms other than those intended. Adviser faces an inherent conflict in addressing trade errors, as trade errors are often detected by firm personnel who may have an inherent incentive to mitigate such trade errors in our favor, which could be to the detriment of clients. To address this risk, Adviser logs and our compliance department actively reviews all trade errors. Adviser feels that these controls, along with periodic employee training, function to mitigate these inherent risks.

In the event of a trading error, and if the error is the responsibility of Adviser, the particular client transaction(s) will be analyzed and corrected, and we take action to resolve the error with the objective to return the client's account to the position that it would have been in had there been no error. If the trading error results in a loss, Adviser will cover market value differences and any related fees and expenses. If the trading error results in a gain, the treatment of any gains resulting from error corrections will be dependent on which custodian is processing the trade. Some Custodians cause any gain to be donated to a charitable organization.

(10) Client Trade Requests/Instructions

Adviser does not accept written trade instructions or trade instructions left in a voice-mail, unless they are confirmed for security reasons through a live conversation with a client service team member via phone call or video conference with the client.

(11) Clients Placing Trades Directly with Custodians

Clients generally contact Adviser (instead of contacting the Custodians of the accounts managed by Adviser) to request the placement of trades with respect to such accounts. It may be possible (but some Broker-Dealers/Custodians may restrict this ability with respect to institutional accounts) for a client also to place a trade request/instruction directly with the Custodian of any of such client's applicable accounts, including by placing the trade through the applicable Custodian's client portal (accessible via internet or mobile application) or by placing a phone call to the Custodian's client service department, or, in the context of investments with respect to which Adviser provides Advisement Services, by contacting the applicable investment fund or management company of the fund. If a client wishes to take advantage of the direct Custodian trading feature, such client should contact Adviser in advance to ensure that such feature is available and, if so, to learn whether such feature has been set-up, and, if not, to have Adviser assist such client with the setting-up of the same; alternatively, such client may also directly contact the applicable Custodian to make such direct Custodian trading feature inquiries and, if necessary, to request the Custodian's assistance with the setting up of the same.

(12) Unsolicited Trades

There are instances when a particular client contacts Adviser to request that Adviser place a trade for the purchase or sale of a particular security in an account that is subject to the investment management of Adviser, which type of trade is generally referred to as an "**unsolicited trade**". Unsolicited trades have the potential to conflict with the investment objectives and risk with respect to the account in which such trades are made and the overall investment objectives or overall or account-specific risk tolerances of the client requesting the unsolicited trade. Furthermore, depending on the security that is the subject of the unsolicited trade, if Adviser has not completed any up-to-date due diligence or research with respect to such security prior to its receipt of the unsolicited trade, no up-to-date due diligence or research with respect to such security will be completed by Adviser in connection with such unsolicited trade. Adviser does not assume any responsibility with respect to any specific unsolicited trade, except, upon our receipt of an unsolicited trade request, placing such trade according to the instructions that Adviser received from the applicable client (unless Adviser expressly communicates to the requesting client that Adviser will not place such specifically requested unsolicited trade).

Clients that like to be actively involved in trading (rather than investing) with respect to a portion of their investments are urged to consider opening a retail investment account at a Custodian, funding the same, and using such account to place trades directly, without the assistance of Adviser. Alternatively, at the request of a client, Adviser may agree to open a courtesy account at one of Adviser's Institutional Custodians (where the client already has other accounts). Any investments in such a **retail account** or **courtesy account** would not be Assets Under Management and **would not be included in the calculation of Adviser Fee** payable by any such clients to Adviser with respect to Assets Under Management.

Item 13 Review of Accounts

13(A) Timing of Reviews of Accounts, Financial Plans and Supervised Persons Involved

(1) Client Accounts:

Client accounts are subject to different reviews by different Supervised Persons of Adviser.

Investment Adviser Representative Review:

All clients receiving Investment Management Services or Advisement Services are encouraged to review **with Adviser at least on an annual basis** (in person or via telephone) such client's investment objectives, risk capacity, overall or account-specific risk tolerances and/or financial situation, as well as their account performance, and to address any financial advice issues (to the extent applicable). Such clients also are advised that it remains their responsibility to advise Adviser of any changes in their investment objectives, risk capacity, overall or account-specific risk tolerances and/or financial situation.

Client accounts are reviewed by an investment adviser representative upon the request of any such client, or periodically, including to determine whether the holdings in each account or the selected strategy with respect to each account are consistent with such client's investment objectives for that account and whether the aggregate holdings and strategies in all accounts are consistent with such client's overall or account-specific risk tolerances and such client's communicated goals and objectives.

Compliance Review:

Our compliance team periodically reviews information relating to a sample of clients.

Investment Management Review**:**

Our investment management team undertakes diverse tasks periodically in support of, and in connection with, the continuous and ongoing monitoring and review of client accounts:

- Review of performance of securities in strategies relative to benchmarks or financial indices;
- Review of performance of securities in strategies vs. peer groups;
- Review of strategies and client accounts based on qualitative and quantitative factors;
- Review of strategies and client accounts based on risk/return and investment expense profiles;
- Review of the qualifications and status of the current Custodians, internal trading process, and state of the trading systems used;
- Review of the investment management companies that manage securities in strategies; and
- Review of the mix of securities in strategies and client accounts.

13(B) Review of Client Accounts on Non-Periodic Basis

Adviser ***may*** conduct account reviews other than on a periodic basis, upon the occurrence of a triggering event, such as a material change in a client's investment objectives, risk capacity, overall or account-specific risk tolerances, or financial situation, or a material change in the volume of client-initiated transaction requests, or a material change in any of Adviser strategies in which a client is invested, or upon a client request.

13(C) Content of Client-Provided Reports and Frequency

Adviser provides written investment reports to clients in connection with periodic review meetings and at the request of clients. These reports may include:

- changes in market values;
- current and historical time-weighted performance statistics;
- information relating to benchmarks or financial indices;
- strategies applicable to each account; or
- individual account holdings.

Clients receiving Investment Management Services or Advisement Services also generally receive quarterly statements, portfolio summaries or reports from Adviser (or, in some instances, directly from a Custodian, record-keeper or third-party administrator), which include a calculation of the applicable Adviser Fee.

Clients may able to access the above receive quarterly statements, portfolio summaries or reports on an ongoing basis by accessing their internet-based client portal.

Adviser may provide a financial plan as part of a regular review meeting or in connection with a financial plan presentation meeting. The content of the financial plan depends on the particular engagement and may include comprehensive or issue-based analysis and recommendation in the areas of financial planning, including: 1) financial planning, 2) tax planning, 3) insurance analysis, 4) investment analysis, 5) retirement planning, and 6) estate planning.

Quarterly statements, portfolio summaries, reports or other documentation provided to or accessible by a client may include benchmarks or financial indices that are provided for illustrative purposes only. These benchmarks or financial indices provide general market data that serves as point of reference to compare the performance of a fund or portfolio with the performance of other securities that make up a particular benchmark or financial index. Such benchmarks or financial indices are not available for direct investment and their performance do not reflect the expenses associated with the management of an actual portfolio, the actual cost of investing in the instruments that comprise it or other fees. No representation is made that any benchmark or financial index on an invoice, report or other documentation is an appropriate measure for comparison, as a fund or portfolio may differ significantly from the securities included in such a benchmark or financial index. There are many benchmarks and financial indices and the list of benchmarks or financial indices included in any quarterly statements, portfolio summaries, reports or other documentation does not represent all available indices. A client wishing to receive an index or benchmark that is an appropriate measure for comparison with respect to a specific fund or a portfolio should expressly request the same from such client's financial advisor.

Waverly may mail to a client or upload to the internet-based client portal of such client an investment report or financial plan in the event that such client is not able to meet with Adviser for an extended period of time.

Each of Adviser's Institutional Custodian has undertaken the responsibility to provide regular account statements directly to any applicable client. The statement of Custodians is the official record of the client's Assets Under Management in a particular account and supersedes any statements or reports created on behalf of the client by Adviser. Clients are encouraged to cross-reference Assets Under Management holdings as shown on Adviser reports with the applicable Custodian statements for the same period.

Item 14 Client Referrals and Other Compensation

14(A) Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

General

As referenced in Item 12 (A)(1) above, Adviser can receive economic benefits from Schwab, Fidelity, Pershing, Raymond James, Trade-PMR and MATC. Adviser, without cost (and/or at a discount), can receive support services and/or products from Schwab, Fidelity, Pershing, and MATC.

Adviser will also receive additional benefits from Trade-PMR, which includes electronic systems that assist in the management of our client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab, Fidelity, Pershing, Raymond James, Trade-PMR and MATC because of this arrangement. There is no corresponding commitment made by Adviser to Schwab, Fidelity, Pershing, Raymond James, Trade-PMR and MATC or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

Advisory Firm Payments for Client Referrals

(1) Promoter Arrangements

Adviser has agreements in place with several unaffiliated or affiliated promoters pursuant to which any such promoter receives mutually agreed to compensation from Adviser if any referral from such promoter of prospective qualified investment advisory clients results in revenue to Adviser. The promoter agreements are subject to the requirements of Advisers Act, and any corresponding state securities law requirements. Any such referral fee is paid solely from Adviser's Adviser Fee and does not result in any additional charge to the prospective client. If the client is introduced to Adviser by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of such promoter's relationship, and shall provide each prospective client with a copy of our written Brochure and with a copy of a separate written disclosure statement from the promoter to such prospective client disclosing the terms of the solicitation arrangement between Adviser and the promoter, including the compensation to be received by the promoter from Adviser in connection with any referral.

Adviser maintains a referral arrangement with Warren Averett RIA, LLC and BT Financial Services, LLC where Warren Averett RIA, LLC and BT Financial Services, LLC are compensated for client referrals, respectively. Any referral fee compensation in accordance with this arrangement is paid from our fee and does not result in an additional charge to the referred prospective client. Adviser also maintains an internal compensation arrangement in connection with clients introduced by our supervised persons and participates in the Charles Schwab & Co., Inc. referral program (as noted above in Item 4(B)(12) relative to the Schwab Advisor Network program).

(2) Paid Advertising for Client Referrals

Some of the professionals of Adviser are profiled in on-line registries. Investors use these registry online services to learn about investment advisers, how to avoid bad financial advice, how to select quality advisers, to search for investment advisers, and to view adviser documentation. Some registries match our financial professionals to investors who use the registry's custom search services and its documentation to review our professional's credentials, ethics, business practices, and financial services. Adviser pays fixed monthly or annual dues or a fee for our professionals to be profiled in the registry and/or receive referrals. Some registries use the dues to provide free information and search services to investors. Other sites are considered paid advertising. Inclusion in a registry is not indicative of an endorsement of Adviser by the registry sponsor.

(3) Cross-Referrals

Adviser sometimes makes referrals to, or receives referrals from, third-party service providers, including attorneys or accountants. In some instances, Adviser receives referrals from third-party service providers to whom Adviser previously has made referrals, and vice versa. While no payments are made by Adviser to any third-party from which it receives referrals in consideration for any received referrals, Adviser obtains a benefit from the revenue that it receives from any referral. Please refer above to Item 10 - Other Financial Industry Activities and Affiliations.

Item 15 Custody

Adviser manages client Assets which are held at Custodians in the name of the client. Adviser is deemed to have custody of certain accounts because Adviser directly deducts its advisory or other management fees (please see above Item 5 – Fees and Compensation).

Adviser is considered to have custody of client Assets that are subject to third-party payment standing letters of authorization (authorizations to make payments to any party other than the applicable client account holders). Adviser engages in other practices and/or services, including trustee services, power of attorney, password possession and General Partner or Managing Member services, on behalf of our clients, which cause Adviser to be subject to an annual surprise CPA examination and the submission of a Form ADV-E.

Clients receiving Investment Management Services will receive at least quarterly account statements directly from their Custodian and/or program sponsor for the client accounts containing a description of all transaction activity, cash balances, and portfolio holdings in their accounts. These Custodian or program sponsor statements are the official records of the accounts.

Please Note: To the extent that Adviser provides clients with periodic statements, invoices or reports with respect to any account, each client is urged to compare any such Adviser statement, invoice or report with any Custodian or program sponsor statement applicable to any such account. **Please Also Note:** Custodians do not verify the accuracy of our calculation of Adviser Fee payable by any client.

Adviser must meet other requirements of the custody rule because of its relationship to the Directly Affiliated Funds and Indirectly Affiliated Funds. An independent CPA audits the Directly Affiliated Funds and Indirectly Affiliated Funds annually, and copies of the audited financials are made available to the limited partners or members within 120 days (or 180 days for a fund of funds) from the fiscal year end of the Directly Affiliated Funds or Indirectly Affiliated Funds.

Item 16 Investment Discretion

Adviser provides Investment Management Services on either a discretionary or non-discretionary basis. The specific type of discretionary authority applicable to any client can be selected by the client and is set forth expressly in such client's Investment Advisory Agreement, naming Adviser as the client's attorney and agent in fact with full authority to buy, sell, or otherwise effect investment transactions involving the Assets in Client's name. Further, discretionary authority is often granted to the adviser in separate limited power of attorney Custodian documentation completed by each applicable client with such client's Custodian(s).

Regardless of our engagement as a discretionary or non-discretionary investment manager, a client may still direct us, **in writing**, to take or not to take certain actions with respect to any or all of such client's Assets. For example, a client may place certain restrictions on or exceptions with respect to one or more of the client's accounts relating to trading, margin, particular investment categories, specific securities, etc.). Adviser generally will implement a client's unsolicited trade requests but may communicate any concerns about or objections to any such request. Furthermore, even when Adviser has been engaged by a client generally to provide Investment Management Services on a discretionary basis, if such client holds or transacts in certain investments on their own directly with the Custodian or does not grant Adviser trading authority, all services that Adviser provides with respect to such investments are considered Advisement Services. Please see Item 12 – Brokerage Practices for more detailed information on unsolicited trades or directly trading with Brokers/Custodians.

Discretionary:

Adviser designs, develops and uses multiple proprietary investment strategies for clients, generally, on a discretionary basis. Many of Adviser's investment strategies are customized for particular clients. Adviser also has developed certain investment strategies that it uses to allocate all or some of the Assets Under Management of different clients. In those instances, the account of one client may be in the same strategy as the accounts of other clients. Some clients have multiple accounts, and some accounts may be in customized strategies and others may be in strategies used for multiple clients.

Our discretion in the performance of our Investment Management Services includes all of the following:

1) The specific securities to be bought or sold on the client's behalf. Please note that Adviser has the discretion independently to purchase or sell on behalf of the client any type of security, subject to (1) any restrictions or exceptions applicable to one or more securities or accounts of such client per the client's express written instructions, or (2) any requirement that may be applicable to a certain investment that the client first approve and sign specific investment related documentation, including a subscription agreement).
2) The amount of securities to be bought or sold on the client's behalf.
3) The amount, if any, of transaction fees to be paid to third parties.
4) The timing as to when such securities are to be bought or sold.
5) The particular Custodian to be used for arranging securities transactions for any client.
6) The engagement or the termination of advisers or sub-advisers.

Non-Discretionary:

In limited circumstances, Adviser provides Investment Management Services on a non-discretionary basis. In such cases, Adviser provides investment recommendations to clients with respect to their Assets Under Management. If a recommendation from Adviser to a client relating to Assets Under Management is approved by such client, Adviser will facilitate the execution of such recommendations, using its discretion as to the timing of the transaction or the setting of limit prices related to such recommendations.

Item 17 Voting Client Securities

17(A) Authority of Adviser to Vote Client Securities

Unless the client directs otherwise in writing, Adviser, in conjunction with its engagement of ProxyEdge, a third-party provider, is responsible for voting client proxies. ProxyEdge shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. ProxyEdge, on behalf of Adviser, shall maintain records pertaining to proxy voting as required by the proxy voting, and books and records rules of Advisers Act. Information pertaining to how Adviser, in conjunction with ProxyEdge, voted on any specific proxy issue is available upon written request.

The client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including class action lawsuits. For example, if any security is subject to a pending or resolved class action lawsuit, Adviser has no obligation to determine if any client holds such security, to evaluate if any client is eligible for filing a claim, or to complete and submit a claim to participate in the proceeds of a securities class action settlement or verdict.

Item 18 Financial Information

18(A) Balance Sheet

Adviser does not require clients to prepay more than $1,200 in fees per client, six months or more in advance.

18(B) Financial Condition

Adviser does not believe that is has a financial condition that is reasonably likely to impair our ability to meet our commitments to our clients.

18(C) Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.