

March 28, 2025

# FORM ADV PART 2A, BROCHURE



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ADVISORS

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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<sup>®</sup>, Chief Compliance Officer**, at (205) 871-3334 or [complianceteam@waverly-advisors.com](mailto:complianceteam@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.

Additional information about Adviser, or any supervised persons who are investment adviser representatives of Adviser ("**Representatives**"), is also available on the SEC's website at [www.adviserinfo.sec.gov](http://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

The following are the Material Changes made to the Brochure since our last annual Brochure disclosure filing of March 29, 2024.

Date	Material Changes
April 26, 2024	<b>Item 4</b> – 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.
October 25, 2024	<b>Item 4</b> – Updated RAUM totals.
March 21, 2024	<b>Item 4</b> – Updated RAUM totals.
December 19, 2024	<p><b>Item 4</b> – Updated RAUM totals.</p> <p><b>Item 5</b> – Updated advisory fee language pertaining to Flat Percentage Fees and expanded the scope of fee differentials.</p> <p><b>Item 10</b> – Updated the definitions for related persons, conflicts, and how Waverly addresses conflicts in relation to its accounting services. Updated Donor Advised Funds section to include Fidelity and Schwab.</p> <p><b>Item 14</b> – Updated Promoter Arrangements to include that a client’s promoter status may result in a reduction in the Advisory Fee applicable to such promoter client.</p>
January 8, 2025	<p><b>Item 4</b> – Updated title of President to President and CEO, and updated RAUM totals.</p> <p><b>Item 5</b> – Updated advisory fee language pertaining to Flat Percentage Fees and expanded the scope of fee differentials.</p> <p><b>Item 10</b> – Updated material relationships and conflicts of interest section to reflect the relationship with Waverly Business Services, an affiliate of Adviser that provides tax return preparation and accounting services. Updated Donor Advised Funds section to provide more detail.</p> <p><b>Item 14</b> – Updated Promoter Arrangements to include that a client’s promoter status may result in a reduction in the Advisory Fee charged to such promoter client.</p>
This Amendment	<p><b>Item 4</b> – Updated to include: the removal of our assumed name of McShane Partners in connection with certain of our investment advisory operations in North Carolina, our use of the Pontera technology platform for Assets Under Advisement, the launch of Waverly Growth Fund II, LP, an unaffiliated fund managed by Adviser, some fee related disclosures, and related conflicts of interest, with respect to private funds, our management of GGM Macro Alignment ETF, an exchange traded fund trading under the symbol “GGM”, and related conflicts of interest disclosures, the provision of certain professional services by employees of Adviser independently from Adviser or its affiliates or through Adviser’s affiliate, Waverly Business Services, LLC, the increase in the value of our regulatory assets under management.</p> <p><b>Item 5</b> – Updated to include: fees and expenses relating to the GGM Macro Alignment ETF and related disclosures, Adviser’s right to exclude Financial Planning services from the scope of services delivered under an investment advisory agreement when an Advisory Fee annual minimum is waived, and the Advisory Fee applicable to assets feeding through the Pontera technology platform.</p> <p><b>Item 8</b> – Updated to include information relating to Adviser’s investment objectives and investment strategies.</p> <p><b>Item 10</b> – Updated to include conflicts of interest disclosures relating to Adviser’s services as investment adviser of the GGM Macro Alignment ETF.</p> <p><b>Item 11</b> – Updated to include: conflicts of interest disclosures relating to Adviser’s services as investment adviser of the GGM Macro Alignment ETF and certain employee preclearance requirements relating to any sale of shares in such ETF.</p>

**Item 12** – Updated to include further details regarding Adviser’s brokerage practices, including: Adviser’s recommendation of any broker-dealer or custodian; applicable commission rates or transaction-related fee amounts; Adviser’s receipt of or access to certain brokerage or research related products or services from broker-dealers or custodians, and related conflicts of interest disclosures; Adviser’s receipt of or access to certain brokerage or research related products or services paid by one broker-dealer under a “soft-dollar” arrangement with such broker-dealer, and related conflicts of interest disclosures; Adviser’s best execution practices; separate managed account program services; and sub-advisory engagements.

**Item 13** – Updated to include further details regarding Adviser’s practices relating to review of accounts, including: with respect to assets feeding through the Pontera technology platform; with respect to some clients to set an investment objective for a group of accounts and to manage those accounts in the aggregate. Update also includes detail regarding the important information that clients receive from Adviser’s in quarterly statements and that clients have access to through the client portal and urges clients to review such statements and periodically access such information. Update also includes a disclosure regarding slight discrepancies that may arise between the account values as of the end of a quarter based on Adviser’s quarterly statement and applicable Institutional Broker/Custodian’s monthly account statement relating to certain accrued month or quarter end interest or dividend payments.

**Item 14** – Updated to include further detail relating to: Adviser’s payment of compensation to employees or promoters in connection with referrals; Adviser’s receipt of certain benefits (including under soft-dollar arrangements) from broker-dealers; and Adviser’s payment of percentage-based compensation to Pontera with respect to assets feeding through the Pontera technology platform.

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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. 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 President and Chief Executive Officer 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. These services are provided by numerous individuals which are employed through a wholly-owned subsidiary of Adviser, some with client-facing roles and others working internally as part of Adviser’s operations team (“**Employees**”), with the support, as necessary, from external service-providers that serve as independent contractors.

Adviser has an Investment Committee. The Investment Committee meets periodically to review and make decisions with respect to various investment related matters.

### 4(B) Description of Investment Advisory Services Offered

#### (1) Advisory Services

As a federally registered investment adviser, Adviser, as well as our 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 Institutional Brokers/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 non-discretionary investment consulting/advisement services consisting of investment analysis of, and allocation recommendations with respect to, (“**Advisement Services**”) those accounts of a client or a third-party for which Adviser is engaged to provide Advisement Services pursuant to an Investment Advisory Agreement subject to a fee (which is in addition to that calculated with respect to any Assets Under Management). Accounts subject to Advisement Services generally are held at custodians that are not Institutional Brokers/Custodians (the assets in such accounts being referred to as “**Assets Under Advisement**”). The supervision of Assets Under Advisement generally 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, the owner of such Assets Under Advisement, (and/or, if applicable, any investment professional other than Adviser engaged by such owner of such Assets Under Advisement 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 owned by such client, the client and Adviser must expressly agree in writing 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 Institutional Broker/Custodian.

Certain technology platforms, including Pontera, allow Adviser to provide discretionary investment advisory services with respect to certain Assets Under Advisement, including retirement accounts that may or may not be held at Institutional Brokers/Custodians. Those technology platforms do not hold any Assets Under Management or Assets Under Advisement directly, meaning that they do not act as custodians, but rather provide a tool for Adviser to provide investment advisory services with respect to investments held at other institutions. The benefit to clients of engaging Adviser to provide discretionary investment advisory services with respect to certain Assets Under Advisement using a technology platform such as Pontera is that Adviser is able to provide discretionary investment advisory services, including making trades from time to time as Adviser deems appropriate, with respect to such assets, rather than non-discretionary Advisement Services, where the client is solely responsible for directly implementing any recommendations made by Adviser relative to such Assets Under Advisement. Those clients who choose to engage Adviser to service some or all of their Assets Under Advisement will be provided a link to connect their outside accounts to the platform. Once the client's accounts are connected to the platform, Adviser will review the client's current account allocations and rebalance them as appropriate consistent with the client's investment objectives and risk tolerance.

Sometimes, employer retirement plans hold their accounts at an Institutional Broker/Custodian. In those instances, if the applicable plan documents of such employer retirement plan, and the applicable Institutional Broker/Custodian, allow Adviser to provide discretionary investment advisory services with respect to the assets in such employer retirement plan accounts, Adviser may provide discretionary advisory services to a participant of such plan that is a client of Adviser with respect to such participant's employer retirement plan assets, and such assets will be considered Assets Under Management.

Adviser provides discretionary and non-discretionary advisory services to portfolios comprising separately managed client accounts and pooled investments vehicles (including mutual funds, exchange traded funds, private investment funds or hedge funds), and an affiliated exchange traded fund (see related discussion below). For separately managed accounts, investment decisions are based on factors, including a client's investment objective (which may be account-specific or may apply, in the aggregate, to more than one account), overall risk tolerance, net worth, net income, age, investment time-horizon, liquidity, taxes, limitations on investment holdings, and other suitable factors. Information that Adviser uses to develop investment recommendations depends on the particular situation of clients and may include client profiles, questionnaires or interviews, review of clients' portfolios, clients' personal financial plans, analysis of historical risk/return characteristics of various asset classes, analysis of the long-term outlook for global financial markets or analysis of the long-term global economic and political environments.

Each client works directly with one or more Representatives that are members of our investment advisory team and have been assigned to such client. These Representatives recommend specific investment strategies, based on such client's investment objectives (which may be account-specific or may be applicable to more than one account), investment policy statements, overall risk tolerances, or 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, 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 Adviser 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. 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 Indirectly Affiliated Fund is set forth in each Indirectly Affiliated Fund’s offering documents. Our clients are under absolutely no obligation to consider or make an investment in any Indirectly Affiliated Fund.

### **UNAFFILIATED MANAGED FUND.**

Adviser serves as the investment adviser to Waverly Growth Fund II, LP (the “**Managed Fund**”), a privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940. CAIS Waverly Growth Fund II GP LLC is the general partner of the Managed Fund and is responsible for the ongoing general maintenance of the Managed Fund. As the investment manager of the Managed Fund, Adviser is responsible for the management of the Managed Fund’s portfolio pursuant to the terms of the investment management agreement between Adviser and the Managed Fund. Adviser has full discretionary authority with respect to the investment decisions for the Managed Fund, and its advice is made in accordance with the investment objectives and guidelines as set forth in the Managed Fund’s confidential offering memorandums. The complete description of the terms and conditions for participation in, as well as certain conflicts of interest and risk factors with respect to, the Managed Fund is set forth in the Managed Fund’s offering documents. Our clients are under absolutely no obligation to consider or make an investment in the Managed Fund.

**Please Note: Fees.** Subject to the exceptions below, when any client determines to become an investor in any of the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund, the assets invested in any such Directly Affiliated Funds, Indirectly Affiliated Funds or the Managed Fund constitute Assets Under Management and are included in the calculation of any applicable percentage-based Advisory Fee, but are not subject to separate/additional internal fund fees. **Exceptions:** (1) The assets invested in **HS Select I, LLC** are not included in the calculation of any percentage-based Advisory Fee. (2) Certain clients of Adviser whose only Assets Under Management are their investments in BT Select Fund I, LP are not subject to an Advisory Fee under the applicable

Investment Advisory Agreement, but instead the assets invested in **BT Select Fund I, LP** are subject to a management fee, and any distributions after the repayment of the full invested capital are subject to a performance fee, which fees are deducted from the assets invested in BT Select Fund I, LP by Waverly Funds Group, LLC, as the general partner. (3) With respect to any investments in **Waverly Growth Fund II, LP**, in addition to any applicable percentage-based Advisory Fee payable to Adviser, any distributions after (a) the repayment of the applicable full invested capital and (b) the payment of the applicable preferred rate of return, are subject to a performance fee, which fee is deducted from the assets invested in Waverly Growth Fund II, LP by CAIS Waverly Growth Fund II GP LLC, as the general partner.

**Please Also Note: Conflicts of Interest.** The fee that Adviser and/or its affiliates earn from a client's investment in the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund (i.e., management fees, incentive compensation, etc.) may exceed the Advisory Fee set forth in the Investment Advisory Agreement applicable to such client. In such situation, a recommendation to a client to invest in any of the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund presents a conflict of interest. No client is under any obligation to become an investor in any of the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund. Given the conflict of interest, Adviser hereby advises clients to 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.

**Please Also Note: No Customized Advice.** As an adviser to the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund, Adviser provides investment advice to a private pooled vehicle that is invested according to each funds' governing documents. Investors in the Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed Fund do not receive tailored investment advice related to their investment in any Directly Affiliated Funds, Indirectly Affiliated Funds, or the Managed 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 qualifying 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 any of our clients determines to become an investor in any of the Unaffiliated Funds, the assets invested in any Unaffiliated Funds constitute Assets Under Management and are included in the calculation of any applicable percentage-based Advisory Fee. Our Advisory Fee is 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.

#### **AFFILIATED EXCHANGE TRADED FUND.**

Adviser is directly affiliated with the following exchange traded fund: GGM Macro Alignment ETF.

The GGM Macro Alignment ETF seeks long-term capital appreciation by dynamically shifting among the sector and style factors best suited for the prevailing macro-economic environment. The GGM Macro Alignment ETF is listed on the NYSE, trading under the symbol "GGM".

The GGM Macro Alignment ETF is registered as an investment company under the Investment Company Act of 1940. Adviser serves as the investment adviser to the GGM Macro Alignment ETF, with responsibility over investment selection, asset allocation, and asset management decisions (trading and overall portfolio allocation decisions). Adviser maintains a limited power of attorney to act on a discretionary basis when managing the GGM Macro Alignment ETF.

**Please Note: Conflict of Interest.** Adviser has an incentive and inherent conflict of interest to recommend and favor the GGM Macro Alignment ETF.



- As consideration for Adviser's investment advisory services to the GGM Macro Alignment ETF, Adviser receives a fee ("**ETF Management Fee**"). Please refer to Item 5 of this Brochure for a description of our fees. Increases in the assets invested in the GGM Macro Alignment ETF will result in increases in the ETF Management Fee paid to Adviser.
- Adviser provides certain administrative services to the GGM Macro Alignment ETF as necessary to fulfill our obligations as the GGM Macro Alignment ETF's investment adviser, which requires the allocation of resources (including Employees) to such tasks. Please refer to additional details provided in Item 10 and Item 11.

## (2) Types of Securities/Investments

Adviser provides Investment Management Services in relation to diverse types of securities/assets, including traditional investments ("**Traditional Investments**") and alternative investments ("**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 the Alternative Investments category. Some Alternative Investments are liquid; others are semi-liquid or illiquid. Some alternative investments can add 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. Sometimes, depending on the particular situation, Adviser and client will enter into a written agreement for Financial Services ("**Financial Planning Agreement**") that sets forth the terms of the engagement, including the specific scope of the services. Financial Planning may involve consultation, or 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 receipt of a client's request for services that constitute Financial Planning, Adviser will review the portion of the present financial situation of such client that is relevant to the specific request and, based on the stated objectives and needs of such client, provide a written report containing an analysis (which may include applicable assumptions) and recommendations. Neither Adviser nor our Representatives are responsible for undertaking the implementation of any recommendations made by Adviser to any client in connection with our Financial Planning services, unless expressly instructed to do so by such client. The Financial Planning services provided by Adviser are static, meaning that neither Adviser nor our 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 in a Financial Planning Agreement.

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, 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, subject to Adviser and client entering into a written Financial Planning Agreement.

**Please Note:** Adviser believes that it is important for each Investment Management Services or Advisement Services client of Adviser to receive Financial Planning from time to time. Subject to certain exceptions, including those described hereafter in Items 5(A)(2) and 5(A)(4), the scope of Adviser's services under our Investment Advisory Agreements generally includes the provision of Financial Planning Services upon our receipt of a client's request therefor, and there is no increase in our Advisory Fee for the provision of such Financial Planning services (except for Financial Planning services that are extraordinary), and no decrease in our Advisory Fee for not providing Financial Planning services when a Client does not request the same.

If requested by the client, Adviser may recommend the services of other professionals (i.e., attorneys, accountants, insurance agents, etc.) for implementation purposes, including, when applicable, any of our Employees, acting independently from Adviser in their individual professional capacities or in their capacities as service providers of our affiliate Waverly Business Services, LLC. Adviser's policies and procedures require every Employee to report any such outside activities of Employee to Adviser's compliance department and Adviser's compliance department expressly to approve the same. (**See** disclosure and descriptions of **conflicts of interest** 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.

**Please Note:** If client requests that Adviser review/evaluate/update/revise our previous recommendations and/or services, it remains the client's responsibility to promptly notify Adviser if there is any change in any information previously provided by client to Adviser that Adviser relied on in providing any Financial Planning services (including relating to any facts, circumstances, needs or objectives).

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 ("**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. As described in Item 4(B)(4), our Advisory Fee is the same, whether or not the client raises any Financial Advice issues with Adviser.

## (5) Wealth Management Service

Adviser makes available to certain clients a subscription (“**Subscription**”) to third-party web-based wealth management financial information services (“**Wealth Management Service**”) that provide 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, including business consulting relating to matters affecting any business of a client, must be agreed to by client and Adviser in writing.

## (7) Retirement Plan Consulting Services

Adviser offers retirement plan consulting services to various types of retirement plans, such as profit sharing plans, employee stock ownership plans, employer participant-directed retirement plans, employer trustee-directed plans. Collectively, Adviser considers these types of plans as a specific segment of clients and refers to these types of clients as “**Retirement Plan Clients**”.

### Employer Trustee-Directed Plans.

Adviser provides discretionary investment advisory services to ERISA retirement plans, managing the plan’s Assets Under Management consistent with the investment objectives designated by the Plan trustee. In such engagements, Adviser serves as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“**ERISA**”). The Advisory Fee generally is calculated based on certain percentage of Assets Under Management as set forth in the applicable Investment Advisory Agreement between the plan and Adviser.

### Participant Directed Retirement Plans.

Adviser also provides 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 assists 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, provides corresponding education to assist the participants with their decision-making process.

Adviser gathers and review extensive information regarding each Retirement Plan Client on an individualized basis, including the objectives and needs of each 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. 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 a Retirement Plan Client to determine the relevant plan’s investment needs and goals. If required by a Retirement Plan Client, Adviser 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 the Retirement Plan Client. Upon the completion of our review process, Adviser will recommend to the 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 agreed to by Adviser. Adviser will supervise the plan portfolio and will make recommendations to the 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 a Retirement Plan Client.

- **Employee Communications**

For 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 Adviser in conjunction with the 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 written engagement of Adviser as his or her investment adviser, Adviser will provide individualized advice to such plan participant per the terms of the applicable written engagement.

- **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 such plan 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: Adviser represents to such client that Adviser and our Representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Adviser or our 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 Adviser and our Representatives are fiduciaries under ERISA and/or the Internal Revenue Code, as applicable. As fiduciaries, Adviser and our 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;
- meet a professional standard of care when making such roll over recommendations (give prudent advice);
- never put our financial interests ahead of that of such 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 we 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 such client engages Adviser to monitor and/or manage the account while maintained at such client’s 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 our 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 Advisory 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 our Representatives to a prospective or existing client that such client or prospect engage Adviser to provide Advisement Services (defined above in Item 4(B)(1)) with respect to retirement plan assets or other assets, if Adviser earns an additional Advisory 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 Advisory Fee and the fee payable by the client after the roll over will be the same particular Advisory 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 advisers 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 commissions or other transaction-related fees to CS&Co. as part of the Program. Schwab does receive other revenues in connection with the Program, which are described below in Item 12(C) - Brokerage for Client Referrals - Schwab Advisor Network®. 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 commissions or other transaction-related 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 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 our 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 certain of our Employees (which provide professional services independently from Adviser or its affiliates or through Adviser's affiliate Waverly Business Services). **Please Note:** Item 10(C)- Material Relationships includes a description of certain material relationships. 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 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 reviews relevant information that it has received from client. Adviser then allocates the client’s assets into one or more accounts consistent with the client’s designated investment objective(s) and overall 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 risk tolerance 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’s Regulatory Assets Under Management (“**RAUM**”).

As of December 31, 2024, RAUM were:

RAUM (discretionary):	\$15,660,904,130
RAUM (non-discretionary):	\$469,286,831
Total RAUM:	\$16,130,190,961

The asset values included above are as 12/31/2024, however, \$18,915,116 are as of 03/21/2025, as they relate to the GGM Macro Alignment ETF that Adviser only started to manage as of that date upon the closing of the acquisition of certain Legacy Group/Individual.

#### 4(F) 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 for promptly notifying the 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 market value of the client's Assets Under Management or Assets Under Advisement, the type of the investments which comprise the Assets Under Management or Assets Under Advisement, the location of the 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 or cooperation with third-party advisors, such as attorneys or accountants. 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) Advisory Fee for Investment Management Services and Advisement Services

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

#### (a) Percentage Based Advisory Fee

Certain new clients are billed an Advisory 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 Advisory Fee**

Certain new clients are billed an Advisory Fee, subject to any applicable minimum, which is calculated based on a declining marginal percentage fee schedule. The declining marginal percentages applicable to the Advisory Fee range from 0.25% to 1.5% of billable Assets per year. In case declining marginal percentages are applicable, Advisory 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 Advisory 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 Advisory Fee**

Certain clients are billed an Advisory 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 flat percentages applicable to the Advisory Fee may range from 0.25% to 1.5% of Assets Under Management and, if applicable, Assets Under Advisement per year.

**(iii) Additional Percentage Fee related to Certain Investment Strategies**

Assets Under Management invested in certain investment strategies, currently limited to individual stock strategies, are subject to (1) the Advisory Fee otherwise regularly applicable to Assets Under Management pursuant to the applicable Investment Advisory Agreement, plus (2) a 0.25% annual percentage rate.

**(b) Negotiated Fixed Dollar Amount Advisory Fee**

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

**(c) Other Advisory Fee Types**

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

**(d) General Advisory Fee Related Terms**

Generally, any Advisory 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 Advisory Fee paid from any such account.

In certain situations, at our sole discretion, the Advisory 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, the Advisory 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 does not generally, bill or reimburse for additions to or withdrawals from existing accounts during the applicable billing period, but, in exceptional circumstances, such as in the context of legacy fee schedules or clients, it may do so (if expressly set forth in the applicable Investment Advisory Agreement).

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 Advisory Fee is generally payable on a quarterly basis, in advance or arrears (according to the signed Investment Advisory Agreement). The Advisory 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 Advisory 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 the Advisory Fee promptly upon such client's receipt of a written invoice therefor. If payment of the Advisory Fee is set up via credit card, the Advisory 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 subject to a \$5,000 annual minimum Advisory Fee and 401(k) Plan clients are subject to a \$15,000 annual minimum Advisory 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 Advisory Fee only in proportion to the number of days in the billing period for which clients are clients of Adviser. If an Advisory 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 Advisory 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 any Advisory Fee 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 Advisory 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 Advisory 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 Advisory Fee shall be based upon such reflected fund value(s).

### **GGM Macro Alignment ETF Fees and Expenses**

The annual operation expenses for the GGM Macro Alignment ETF are as follows.

ETF Management Fees (paid to Waverly)	0.74%
Other ETF Fees and Expenses (paid to third parties)	0.14%
Total Annual Fund Operating Expenses	0.88%

Each shareholder of the GGM Macro Alignment ETF pays these expenses as a percentage of the value of such shareholder's investment therein.

The above annual operation expenses are paid monthly in arrears based on the average daily value of the ETF. Adviser believes that its ETF Management Fees are competitive with those fees charged by other investment advisers for comparable services; however, ETF Management Fees of Adviser may be higher or lower than management fees charged by other investment advisers. Similarly, Adviser believes that the Other ETF Fees and Expenses are competitive with those fees charged by other comparable ETFs; however, the Other ETF Fees and Expenses may be higher or lower than other fees and expenses charged by other comparable ETFs.

### **(2) Financial Planning and Financial Advice Fees**

The financial planning services provided by Adviser to a client pursuant to a Financial Planning Agreement sometimes are subject to such client's payment of a Financial Planning fee that is separate from the regular Advisory Fee payable under the applicable Investment Advisory Agreement ("**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).

Subject to the disclosures in Item 5(A)(5) below, the Financial Planning Fee is billed, either in advance in full, 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 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.

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

If the Advisory 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 Advisory Fee promptly upon such client's receipt of written invoice therefor.

### (4) Fee Minimums

Subject to the disclosures in Item 5(A)(5) below, Clients are subject to Advisory Fee annual minimums. Advisory Fee annual minimums typically range from \$500 to \$20,000. In certain cases, based on the nature and complexity of any new client situation, Advisory Fee minimums may exceed the upper limit of the above range. Adviser retains the right to waive or reduce any Advisory Fee annual minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, existing market value of Assets to be managed, related accounts, account composition, negotiations with client, etc.). In instances where an Advisory Fee annual minimum is waived or reduced, the applicable Investment Advisory Agreement may exclude the provision of Financial Planning from the scope of services. In such a situation, any client request for Financial Planning services generally will require a written agreement that defines the scope of the requested Financial Plan and the applicable separate fee payable for such Financial Planning services.

Advisory Fee minimums or negotiated fixed dollar Advisory Fee amounts may cause the average Advisory Fee percentage applicable to billable Assets to exceed the upper limit of the Advisory 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, applicability of a minimum annual fee, client's relationship to another client, Asset composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, status as Employees or family members of Employees, status as professionals (including attorneys, tax consultants or accountants) with whom Adviser has a business relationship, status as promoters of Adviser, courtesy accounts, competition, negotiations with client, etc.). Assets may be (but are not always) grouped by household or family for the purposes of calculating the Advisory Fee or applying Advisory Fee minimums. As a result of the above, Adviser (i) may charge a particular client an Advisory Fee that is below the Advisory 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 the Advisory 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 Advisory Fee entirely. The Advisory Fee payable by any client is negotiable. **Please Note:** As a result of the above, similarly situated clients could pay a different Advisory Fee. In addition, similar advisory services may be available from other investment advisers at similar or lower fees than the Advisory 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 Advisory 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 an Advisory Fee that may be higher or lower than the Advisory 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), the Advisory 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 be adjusted 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 Advisory Fee.



Because our Advisory Fee is based upon the total market value of the assets (inclusive of margin assets), our Advisory 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 the Advisory 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 the Advisory 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, the Advisory Fee could exceed the interest paid, if any, to a client with respect to cash or cash equivalents.

#### (9) Reasonableness of the Advisory Fee

Adviser believes that the Advisory Fee charged to each client is reasonable in relation to: (1) the advisory services provided pursuant to the applicable Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, our Advisory Fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our Advisory 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.**

#### (10) Pontera

Because of the expanded level of service provided by Adviser when a technology platform such as Pontera is used, the fee payable by clients to Adviser for such service often is the same Advisory Fee as that payable with respect to Investment Management Services. The ability of a technology platform to make it possible for Adviser to provide discretionary investment management services with respect to specific Assets Under Advisement, including a specific retirement account, held at a custodian depends on such custodian having an agreement with such technology platform to permit Adviser's access to such specific Assets Under Advisement. Not every custodian has such an agreement with such a technology platform, and it is possible that one or more such agreements may be terminated in the future. In the event of no such agreement or of termination of such an agreement, the only services that Adviser will be able to provide with respect to such Assets Under Advisement

are regular non-discretionary Advisement Services.

#### 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

The Advisory Fee is separate and distinct from the fees and expenses charged by ETFs, mutual funds, other investment vehicles, brokers, dealers 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 brokers, dealers or custodians retained by a client. Clients are advised to read those materials carefully before investing. Institutional Brokers/Custodians generally charge commissions, transaction-related fees, 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 Waverly'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 brokers, dealers or custodians.

The types of securities for which commissions, transaction-related fees, and/or other type fees (as well as the amount of those fees) are charged differ depend upon the Institutional Broker/Custodian (certain Institutional Brokers/Custodians, including Schwab, Pershing, Raymond James, and Fidelity (see full names as defined in Item 12(A)(1)), do not currently charge fees on individual equity transactions, while others do). These commissions, fees or charges are in addition to our Advisory Fee described in Item 5 below. Adviser does not receive any portion of these commissions, fees or 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 Advisory Fee shall range from 0.15% to 1.00% of Assets allocated to the sub-adviser and/or independent manager. Our Advisory 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 our Representatives are compensated by Adviser solely with respect to the provision of investment advisory services. Neither Adviser, nor our Representatives, are paid any sales, service, or administrative fees or commissions or other transaction-related fees for the sale of any securities or any other investment products with respect to Assets Under Management.

### 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 our 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 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 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 our 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 investment time period to potentially develop but, as a result of more frequent trading, may incur higher 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 by investment objective and, within each investment objective, by investment approach. Below are three investment approaches by which investment strategies are further segmented.

- **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.

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 short 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).

Assets Under Management of our clients are allocated to investment strategies based on our clients’ investment objectives, risk tolerances, tax considerations, time horizons, and personal stated objectives and needs, and may be allocated to (i) one or more strategies within the same investment objective or (ii) multiple strategies that are not all within the same investment objective. Each investment strategy is assigned to one specific investment objective. Each investment objective comprises many different investment strategies.

- At one end, investment strategies within the “**cash**”, “**total income**” or “**conservative income**” **investment objectives** prioritize safety of principal and income generation, allocating all or a very significant portion of all assets to fixed-income securities such as bonds or treasury bills, with target allocations to fixed income generally in the 90-100% range. These strategies offer stability and lower risk, often appealing to investors with a conservative risk tolerance seeking to protect their capital or those nearing retirement.
- Moving towards a balanced approach, investment strategies within the “**income**”, “**moderate income**”, and “**income and growth**” **investment objectives** blend fixed-income assets with equities, but tilted towards income, with target allocations to fixed income generally in the 60-80% range. These strategies aim for steady income and preservation of capital, while retaining a low to moderate opportunity for growth, often appealing to investors with a moderately conservative risk tolerance.
- Investment strategies within the “**balanced**” **investment objective** strike a balance between growth potential and capital preservation, with target allocations of 50% to each of equities and fixed-income. These strategies are suitable for investors seeking both income and long-term wealth accumulation, often appealing to investors with a moderate risk tolerance.
- Investment strategies within the “**growth and income**” and “**moderate growth**” **investment objectives** combine elements of both growth and income-focused allocations, but are tilted towards capital appreciation, with target allocations to equities generally in the 60-70% range. These investment strategies often appeal to investors with a moderately aggressive risk tolerance.

- Progressing along the spectrum, investment strategies within the “**growth**” investment objective emphasize capital appreciation over income generation, allocating a larger portion of assets to equities, with target allocations to equities generally of 80%. Investors pursuing growth prioritize long-term wealth accumulation and are willing to tolerate higher volatility for potentially greater returns. These investment strategies often appeal to investors with a moderately aggressive risk tolerance.
- Meanwhile, investment strategies within the “**aggressive growth**” and “**total growth**” investment objectives allocate a very significant portion of or all assets to equities, with target allocations to equities generally in the 90-100% range, targeting maximum capital appreciation over the long term. These investment strategies often appeal to investors with an aggressive risk tolerance.
- 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 an aggressive risk tolerance and a willingness to engage in speculative ventures.
- A client’s investment portfolio may consist of accounts allocated to different investment strategies, within the same of within different investment objectives, which allows for the tailoring of such accounts to suit account-specific investment objectives, offering flexibility for the construction of diversified portfolios that align with specific financial goals.

There are differences in the rebalancing thresholds (minimum or maximum percentage allocations) that apply to investment strategies. Assets Under Management will be rebalanced periodically to remain within applicable rebalancing thresholds (minimum or maximum percentage allocations).

### (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 Adviser cannot control. Adviser 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 Advisory 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 ("ETFs") 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 investment adviser 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](http://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 Institutional Brokers/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 Institutional Brokers/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 or other transaction-related fees 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 such investor's ability to maintain any investment that such investor is considering in light of such investor's 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 our 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 determination of 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.

### **Adviser to the GGM Macro Alignment ETF**

Related Person: GGM Macro Alignment ETF, an exchange traded fund registered under the Investment Company Act of 1940 with respect to which, as previously disclosed, Adviser serves as investment adviser and provides investment advisory, management and other services.

Conflict of interest: Adviser is affiliated with, and has a beneficial interest in, the GGM Macro Alignment ETF. Further, some Supervised Persons are personally invested, and every Supervised Person can personally invest, in the GGM Macro Alignment ETF. Adviser solicits new investors for the GGM Macro Alignment ETF. These factors create an incentive for Adviser or Adviser's Supervised Persons to recommend the GGM Macro Alignment ETF over other similar investments, which presents a conflict of interest.

There is also a conflict of interest relating to cost caused by the fact that, because Adviser is the manager of the GGM Macro Alignment ETF, Adviser collects the overall expenses for all investments in such ETF, a substantial portion of which is comprised of the ETF Management Fee. As noted above in Item 5, the GGM Macro Alignment ETF charges total annual expenses of 0.88%, which includes the ETF Management Fee in an amount of 0.74% paid to Adviser and the acquired funds fees and expenses of the underlying ETFs within the GGM Macro Alignment ETF in an amount of 0.14%.

How Adviser Addresses the Conflict(s): Adviser has openly outlined the affiliated status between Adviser and the GGM Macro Alignment ETF, the ETF Management Fee that Adviser receives with respect to the GGM Macro Alignment ETF, and the annual expenses payable by the GGM Macro Alignment ETF. Adviser and its Supervised Persons are subject to the fiduciary duty to put the client's interests first. Clients hereby are reminded that they are not obligated to be invested in the GGM Macro Alignment ETF and can advise Adviser that they do not want to be invested in the GGM Macro Alignment ETF. Adviser takes the following additional steps to mitigate these conflicts of interest:

- (1) When a discretionary client communicates to Adviser an interest in investing in the GGM Macro Alignment ETF, before Adviser makes an investment for such client in the GGM Macro Alignment ETF, the following process applies:
  - a. Suitability/Cost Analysis: Adviser completes a Suitability and Cost Analysis.
    - i. If it is a suitable investment for the client: An email is sent to client with a copy of the Suitability and Cost Analysis and approval page attached.
    - ii. If it is not a suitable investment for client: stop – no investment will be implemented in

- such ETF.
- b. Approval. Client returns duly signed approval page.
  - c. Implementation. Adviser implements the investment in the GGM Macro Alignment ETF.
- (2) Every fee-paying discretionary client whose Assets Under Management include an investment in the GGM Macro Alignment ETF must have the following completed and on file:
- a. A Suitability and Cost Analysis.
  - b. Signed Approval Page.
- (3) Adviser does not “double dip” in connection with the GGM Macro Alignment ETF. Adviser implements this by coding the GGM Macro Alignment ETF as a non-billable asset in client portfolios. As a result, no Advisory Fee is charged to (and payable by) clients with respect to the value of any GGM Macro Alignment ETF investments that constitute Assets Under Management.
- (4) The overall expenses payable by any client with respect to their investments in the GGM Macro Alignment ETF are based on the applicable 0.88% overall expense ratio. Such expense ratio may be higher or lower than the applicable average percentage Advisory Fee that would have been applicable to any such client if such investments had not been excluded from billing.
- (5) The 0.74% ETF Management Fee that Adviser receives is a component of the 0.88% overall expense ratio applicable to the GGM Macro Alignment ETF, which means that the ETF Management Fee that Adviser receives with respect to the GGM Macro Alignment ETF is less than the overall expenses that are payable by client with respect to the GGM Macro Alignment ETF.

**Please Note:** Adviser’s policy not to double-dip benefits clients with respect to their investments in the GGM Macro Alignment ETF, in that they do not pay both the 0.88% overall expense ratio plus the otherwise applicable Advisory Fee. Notwithstanding this benefit to clients, clients are advised that, among the many ETFs that are in existence, some are very different from and others are more similar to the GGM Macro Alignment ETF, and some have lower overall expense ratios than the GGM Macro Alignment ETF. In instances where the sum of (a) the average percentage Advisory Fee that is applicable to a client’s investment plus (b) the overall expense ratio applicable to an ETF other than the GGM Macro Alignment ETF is lower than the 0.88% overall expense ratio applicable to the GGM Macro Alignment ETF, an investment by a client in such other ETF would result in the client paying less in fees/expenses with respect to such investment than an investment in the GGM Macro Alignment ETF (even after excluding the investment in the GGM Macro Alignment ETF from the billing of an Advisory Fee).

#### **Accounting Services or Accounting Firms.**

**Related Person:** An entity affiliated with Adviser, **Waverly Business Services, LLC**, a Delaware limited liability company, prepares tax returns and provides other tax, accounting and business consulting services to clients (“**WBS**”). Clients of WBS may also be clients of Adviser.

**Conflict:** WBS and Adviser have clients in common. Adviser recommends, as appropriate, WBS’ services to our investment advisory clients and WBS recommends our services to WBS’ accounting, tax or payroll clients. Because of the affiliation between Adviser, on one side, and WBS, on the other side, the recommendation by an Adviser representative that one of our clients engage WBS, or the recommendation by an WBS representative that a WBS client engage Adviser, presents a conflict of interest.

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

**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 Adviser Addresses the Conflict(s):* Adviser has openly outlined the relationship between Adviser, 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 Adviser 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 Adviser, and **Chad E. Hassinger**, a member of the Operating Board of Adviser, 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 Adviser, an Operating Board member of Adviser and various other supervised persons of Adviser, 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.

### **Other Investment Advisers.**

**Related Persons:** Certain of our 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 the Advisory Fee may provide an incentive to recommend advisory services based on the Advisory Fee 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.

### **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, **StratigIQ 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 Adviser, and **Chad E. Hassinger**, a member of the Operating Board of Adviser, are owners of **IQ Companies, LLC**, a holding company that owns a 100% interest in **StratigIQ 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.

### **Donor Advised Funds.**

**General DAF Information:** Adviser has been engaged as an investment adviser by multiple foundations ("**DAF Sponsors**") that sponsor and operate Donor Advised Fund Programs ("**DAF Programs**"), including some that have many billions of dollars of assets but also some community foundations with significantly smaller amounts of assets. **DAF Programs** generally comprise multiple donor advised funds. Each donor advised fund is set-up by the applicable **DAF Sponsor** upon receipt of a completed donor advised fund application and other required documentation ("**DAF Documentation**") from the person that originally established the donor advised fund ("**Original Donor**"). Generally, **DAF Documentation** allows the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) to select an investment strategy for the assets held in the applicable donor advised fund among the various investment options generally made available by the **DAF Program**. Therefore, it is not necessary for an Original Donor to engage an investment adviser to provide investment advisory services with respect to a donor advised fund.

**DAFs Sponsor** are responsible for conducting due diligence on every investment adviser that they engage to manage the assets of any of its donor advised funds, for developing investment policy statements or guidelines that every such investment adviser must follow, and for supervising every such investment adviser to ensure that such investment adviser complies with its contractual and fiduciary obligations. **DAF Sponsors** also are responsible to ensure that the investment advisory fees paid to each adviser are not excessive. The investment advisory fee percentages payable by a **DAF Sponsor** with respect to different donor advised funds that it sponsor and operates generally are set at the time that the donor advised fund application is completed. Differences in fee percentages among different donor advised funds at any **DAF Sponsor** may be attributable to the date of such application, the scope of the investment advisory services to be provided by Adviser, or other considerations. Investment advisory fees paid by **DAF Sponsors** to investment advisers may not be excessive.

Investment Advisory Services to DAF: Frequently, before assets are contributed to a donor advised fund by an Original Donor, such assets of the Original Donor are subject to the investment advisory services of the Original Donor's investment adviser. After the assets are donated to a donor advised fund, the investment adviser may continue to provide investment advisory services with respect to the donated assets, either as investment adviser to the DAF Sponsor, who owns the assets in the donor advised fund and pays the investment advisory fee, if any, or as investment adviser to the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor), who does not own the assets in the donor advised fund but chooses to engage an investment adviser, and, if applicable, pay an investment advisory fee to such investment adviser, for the provision of advisement services with respect to such third-party assets in the donor advised fund.

Once certain minimum asset thresholds are met, the DAF Documentation may allow an Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) to choose that the investment adviser of such Original Donor or Donor-Grant Advisor be involved in certain activities relating to the donor advised fund, which may consist of one or more of:

- acting as an agent on behalf of the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) to make distribution requests,
- acting as an agent on behalf of the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) to allocate the assets in the donor advised fund among the various investment options generally made available by the DAF Program, or
- acting as investment adviser of the DAF Sponsor with respect to the assets in the donor advised fund.

DAF Sponsor is Client: In cases where the DAF Documentation specifically contemplates the involvement of an investment adviser, if an investment advisory fee is payable to such investment adviser in connection with such involvement, it generally is paid by the DAF Sponsor out of the assets of the donor advised fund related to such Original Donor (or a Donor-Grant Advisor appointed by such Original Donor).

Original Donor or Donor-Grant Advisor is Client. In cases where the DAF Documentation does not specifically mention the involvement of an investment adviser in certain activities relating to the applicable donor advised fund, the investment adviser may be engaged by the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) directly to provide advisement services with respect to the allocation of assets in the donor advised fund among the various investment options generally made available by the DAF Program. In such case, (1) the investment adviser generally will provide the allocation recommendations to the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor) and such Original Donor or Donor-Grant Advisor will be responsible for communicating to the DAF Sponsor the allocation instructions in the manner required by the DAF Sponsor, and (2) if an investment advisory fee is payable to such investment adviser in connection with such advisement services, it generally is paid by the Original Donor (or a Donor-Grant Advisor appointed by such Original Donor), instead of out of the assets held in the donor advised fund (as those assets are not owned by such Original Donor or Donor-Grant Advisor but are owned by the DAF Sponsor). The investment advisory fees, if any, payable for such advisement services are subject to the terms of Section 5 hereof. This arrangement is attractive for an Original Donor or Donor-Grant Advisor that wants the involvement of an investment adviser, but prefers that investment advisory fees for such involvement not be subtracted from the assets in the donor advised fund but instead be paid from funds of the Original Donor or Donor-Grant Advisor. (This approach may not be the most tax-efficient, as donations by an Original Donor or Donor-Grant Advisor to a donor advised fund generally are tax deductible, but direct payment by an Original Donor or Donor-Grant Advisor of investment advisory fees are not.)

Adviser's Client Relationships with DAF Sponsors. The number of client relationships between Adviser and DAF Sponsors, pursuant to which such DAF Sponsors engage (and pay investment advisory fees to) Adviser to manage assets in some donor advised funds sponsored and operated by such DAF Sponsors, is subject to change. Sometimes, a new investment advisory relationship between a DAF Sponsor and Adviser occurs when new Representatives join Adviser that had preexisting relationships with DAF Sponsors. Other times, clients of Adviser



ask Adviser to become an investment adviser to a particular DAF Sponsor, for example, a client of Adviser wishing to support a local community foundation by donating to a Donor Advised Fund Program operated by such community foundation and wishing for Adviser to be involved in the management of the donated assets (as Adviser generally is with respect to non-donated assets of such client donor).

Adviser's Relationships with persons that are related to DAF Sponsors. Adviser may have relationships with related parties of a DAF Sponsor. Some or all Institutional Brokers/Custodians have a related party that is a foundation (such as, in the case of Schwab: Donor Advised Charitable Giving, Inc., operating as DAFgiving360™, or, in the case of Fidelity: Fidelity Investments® Charitable Gift Fund, operating as Fidelity Charitable), and these foundations may engage Adviser as investment manager with respect to certain donor advised funds that they sponsor and operate. Any administrative or management fees received by a foundation that is a related person of any Institutional Broker/Custodian indirectly benefits such Institutional Broker/Custodian (and such fees could be aggregated with fees received by such Institutional Broker/Custodian to calculate the total value of the relationship with the Adviser).

**Related Persons:** Adviser and **Renaissance Charitable Foundation ("RCF")** have two agreements in place, a DAF Services Agreement and an Investment Advisory Agreement. Under the first agreement, RCF sponsors and operates a Donor Advised Fund Program under the name "Strategic Financial Group Charitable Giving Fund Program" ("**RCF DAF Program**"). Under the second agreement, Adviser is appointed by RCF as investment manager of the RCF DAF Program and, consequently, RCF becomes the client of Adviser with respect to the assets held in the RCF DAF Program. Adviser has no relationship with RCF other than such contractual relationships.

Adviser also has investment advisory agreements in place with other DAF Sponsors, including Schwab's related party Donor Advised Charitable Giving, Inc. (operating as [DAFgiving360™](#)), Fidelity's related party Fidelity Investments Charitable Gift Fund (operating as Fidelity Charitable), and multiple community foundations.

*Conflict:* Adviser has a conflict of interest in making a recommendation to a prospective or existing client to establish or donate to a donor advised fund sponsored and operated by any DAF Sponsor that will pay an Advisory Fee to Adviser in connection with Adviser's investment advisory services to such donor advised fund. Adviser has an economic incentive to make a recommendation to a prospective or existing client to establish or donate to any such donor advised fund to earn an Advisory Fee that it would not earn if such donor advised fund did not pay an Advisory Fee to Adviser. When Adviser has a client relationship with a DAF Sponsor relating to a donor advised fund, and Adviser receives an Advisory Fee from such DAF Sponsor for Adviser's investment advisory services with respect to such donor advised fund, such Advisory Fee is the only one that Adviser receives with respect to the assets in such donor advised fund. Similarly, when Adviser has a client relationship with an Original Donor or Donor-Grant Advisor relating to a donor advised fund, and Adviser receives an Advisory Fee from such Original Donor or Donor-Grant Advisor for Adviser's investment advisory services with respect to such donor advised fund, such Advisory Fee is the only one that Adviser receives with respect to the assets in such donor advised fund. The investment advisory fee paid by the DAF Sponsor or, alternatively, the Original Donor or Donor-Grant Advisor, to Adviser for investment advisory 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 a DAF Sponsor to a donor advised fund under the DAF Program for administrative services of the DAF 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 the administrative fees charged by each DAF Sponsor, and the total overall fees charged, in connection with each donor advised fund to which Adviser provides investment advisory services, are competitive within the donor advised fund industry.

*How Adviser Addresses the Conflict(s):* Prospective or existing clients are under no obligation (1) to use a donor advised fund sponsored and operated by any DAF Sponsor or (2) directly to engage Adviser to provide Advisement Services with respect to any donor advised funds. The Original Donor or Donor-Grant Advisor has the authority to recommend to any DAF Sponsor that (1) all funds in such donor advised program are contributed to another qualified charity, including any donor advised fund at another sponsoring foundation, and (2) another investment

adviser be appointed for such donor advised fund. The Original Donor or Donor-Grant Advisor also has the authority to terminate at any time any direct engagement of Adviser to provide Advisement Services with respect to any donor advised fund.

## 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, our 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).

Subject to the exceptions below, 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.

### **GGM Macro Alignment ETF**

Adviser recognizes that there are conflicts of interest that occur when recommending the GGM Macro Alignment ETF to clients due to Adviser’s material financial interest in the GGM Macro Alignment ETF. In keeping with our Code of Ethics, we have taken the steps outlined in Item 10 to address these conflicts of interest.

Clients are ultimately responsible for making the final decision to invest in the GGM Macro Alignment ETF and they are under no obligation to invest in the GGM Macro Alignment ETF.

Because our recommendation that clients invest in the GGM Macro Alignment ETF is an inherent conflict of interest that cannot be completely overcome, we strongly encourage all clients consult with legal counsel, an accountant, a third-party investment adviser not affiliated with Adviser, or any other financial professional of the client’s choosing who is not affiliated with Adviser for a “second opinion” before investing in the GGM Macro Alignment ETF.

We permit our Employees to invest in the GGM Macro Alignment ETF. All trades to buy or sell the GGM Macro Alignment ETF at Schwab will be executed in our master trading account and allocated to the appropriate accounts at the end of the day to ensure that every client and employee receives the same average price. Furthermore, any sale of the GGM Macro Alignment ETF by an Employee must receive the advance written approval of our Chief Compliance Officer. Please also refer below to Item 11(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, and certain related persons, including 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, adequate policies 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 Employees that are "Access Persons" and of any Related Persons of such Employee. Our personal securities transaction policy requires such Employees to submit to Adviser their current securities holdings and transactions. This is done so that Adviser can monitor their investments to ensure compliance with our Code of Ethics and our general fiduciary duty to clients.

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

Adviser or our Representatives 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 or our Representatives 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) Recommendations of Brokers, Dealers or Custodians

Adviser participates in the institutional customer programs offered by several brokers, dealers or custodians (individually, "**Institutional Broker-Custodian**"; collectively, "**Institutional Brokers/Custodians**"). Adviser is not affiliated with any of Institutional Brokers/Custodians.

A separate account is always maintained for every client with the applicable Institutional Broker/Custodian, and every client retains all rights of ownership to client's accounts (e.g., the right to withdraw securities or cash, place trades, exercise or delegate proxy voting, and receive transaction confirmations). Clients can exercise their ownership rights by working with Adviser or contacting the applicable Institutional Broker/Custodian directly.

Institutional Brokers/Custodians do not charge separately for custody in most situations. Instead, they are compensated by account holders through commissions or other transaction-related fees for security trades that are executed by recommended money managers through the Institutional Brokers/Custodians or that settle into accounts at Institutional Brokers/Custodians. Institutional Brokers/Custodians may also earn interest on uninvested cash in client's accounts. The commissions or other transaction-related fees charged by an Institutional

Broker/Custodian are exclusive of, and in addition to, our Advisory Fee.

In the event that a client requests that Adviser recommend a broker, dealer or custodian for execution or custodial services (exclusive of those clients that may direct Adviser to use a specific Custodian), Adviser generally recommends the following Institutional Brokers/Custodians (individually, "**Recommended Broker-Custodian**"; collectively, "**Recommended Brokers/Custodians**"):

- 1) Fidelity Brokerage Services LLC, and National Financial Services, LLC (collectively "**Fidelity**")
- 2) Charles Schwab and Company, Inc. ("**Schwab**")
- 3) Mid Atlantic Trust Company ("**MATC**")
- 4) Pershing Advisor Solutions, LLC ("**Pershing**")
- 5) Raymond James and Associates, Inc. (member U.S. Stock Exchange/SIPC) ("**Raymond James**")
- 6) Trade-PMR, Inc. ("**Trade-PMR**")

In evaluating whether to have an institutional customer program in place with a particular broker, dealer or custodian, Adviser takes into account, the nature, cost or quality of execution or custody related services of such broker, dealer or custodian, including based on the first-hand past experience of Adviser, and our Representatives, or the first-hand experience of any of our Legacy Groups/Individuals, and their investment adviser representatives, in each case, with such broker, dealer or custodian, or based on the best execution considerations discussed below in Item 12(E) – Best Execution. But, in addition, as part of the total mix of factors it considers, Adviser also takes into account the availability of Support Services/Products (as defined in Item 12(B)(1) that may be available to or received by Adviser from, and any other arrangements that may be available with, such broker, dealer or custodians, as further described below in this Item 12. This presents various conflicts of interest that are described below in Item 12(B)(1) and Item 12(B)(2).

In the event that a client requests that Adviser recommend a broker, dealer or custodian for execution services, the primary factor in making a recommendation of a particular Recommended Broker/Custodian is that the execution services of the Recommended Broker/Custodian are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. Adviser may, in circumstances in which two or more Institutional Brokers/Custodians are in a position to offer similar prices and execution, give preference to an Institutional Broker/Custodian that can provide investment information, research services and brokerage services to Adviser. In obtaining that information and those services, Adviser may effect securities transactions that cause a client to pay an amount of commission in excess of the amount of commission the other Institutional Broker/Custodian would have charged. In selecting such Institutional Broker/Custodian, Adviser will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or Adviser's overall responsibility to the accounts for which it exercises investment discretion.

Clients are not obligated to accept any Adviser recommendation of any broker, dealer or custodian and are free to select any brokers, dealers or custodians, or any investment advisers, of client's choosing. Just like clients are not *required* to work with Adviser, they also are not required to work with any of our Recommended Brokers/Custodians or any other broker, dealer or custodian.

Notwithstanding the above list of Recommended Brokers/Custodians, in certain instances, Adviser will recommend to clients certain brokers, dealers or custodians other than Recommended Brokers/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 broker, dealer or custodian, the cost and quality of the services, and the reputation of the broker, dealer or custodian.

Clients are advised that brokers, dealers and 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 or the commission rates or other transaction-related fee amounts for securities transactions executed on behalf of any client. Further, there are differences in commission rates or other transaction-related fee amounts charged by the same Institutional

Broker/Custodian based on the type of securities being traded. For example, commission rates for trading in domestic publicly-traded companies may be lower than commission rates for trading in international securities (as the latter may be expressed as a percentage of the trade amount, rather than a flat commission per trade).

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.

Trade-PMR also 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.

## 12(B) Research and Benefits

### (1) Research Products and Services Generally Made Available by Institutional Brokers/Custodians

Adviser has access to, or receives, certain support services or products from Institutional Brokers/Custodians, or other brokers, traders, custodians, mutual fund sponsors, or unaffiliated investment managers, (collectively, “**Support Services/Products Provider**”) on a gratuitous or discounted basis. The specific products or services provided by each Support Services/Products Provider are in the discretion of such Support Services/Products Provider and may include, none, one, some, or all of the following services or products, or may include other products or services not expressly described below (collectively, “**Support Services/Products**”):

- software and other technology that (1) provides access to client account data (such as trade confirmations and account statements), (2) assists Adviser to better monitor or service client accounts maintained at such Institutional Brokers/Custodians, (3) facilitates trade execution (and allocation of aggregated trade orders for multiple client accounts), or (4) assists Adviser with back-office functions, recordkeeping and client reporting;
- investment-related research;
- pricing information and market data;
- software and other technology that facilitates payment of our Advisory Fee from clients’ accounts;
- practice management-related publications;
- discounted or gratuitous consulting services;
- discounted and/or gratuitous attendance at conferences, meetings, and other educational and/or social events;
- discounted and/or gratuitous participation at presentations (in person at any of Adviser’s offices or remotely via phone or video-conference) on investment-related matters;
- computer hardware, software; or other products or services used by Adviser in furtherance of its investment advisory business operations.

Conflicts of Interest: Adviser benefits from the receipt or access to the Support Services/Products because Adviser does not need to perform such services or produce such products on its own (or source such products or services from some other third-party), or does not need to pay a portion or the full price for such Support Services/Products. This presents conflicts of interest.

- The existence of any minimum threshold of Assets Under Management that must be held at an Institutional Broker/Custodian for the availability or receipt of Support Services/Products gives Adviser an incentive to recommend that clients maintain their accounts with such Recommended Broker/Custodian based on Adviser’s interest in receiving Support Services/Products for the benefit of Adviser’s 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 constitutes a **conflict of interest**. Adviser believes, however, that its

recommendation to a client of a particular Recommended Broker/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 Recommended Broker/Custodian, and not by any Support Services/Products of such Adviser's Recommended Broker/Custodian that benefit only Adviser. By maintaining a minimum amount of Assets Under Management at a Recommended Broker/Custodian, such Recommended Broker/Custodian (1) provides benefits to clients that may not generally be available to retail customers of such Recommended Broker/Custodian, such as negotiated pricing, access to certain share classes of specific securities or access to certain other institutional client specific products or services, (2) without imposing any additional commissions or other transaction-related fees.

- While no Institutional Broker/Custodian makes the availability or delivery of Support Services/Products contingent upon Adviser committing any specific aggregate amount of transaction fees to such Institutional Broker/Custodian, if Adviser deems that certain Support Services/Products of a particular Institutional Broker/Custodian are of particular benefit to Adviser's business or some or all of Adviser's clients, such as investment information and research services that Adviser's research analysts and portfolio managers use to formulate recommendations for the purchase or sale of securities, Adviser has an incentive to cause trades to be placed with such Institutional Broker/Custodian so that Adviser has access to or receives such Support Services/Products, rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This constitutes a **conflict of interest**. Adviser believes, however, that its recommendation to a client of a particular Recommended Broker/Custodian in such situation 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 Recommended Broker/Custodian, and not by any Support Services/Products of such Adviser's Recommended Broker/Custodian that benefit only Adviser.

**How Adviser Addresses the Conflict(s):** Adviser has a fiduciary duty to clients and is required not to place Adviser's interests, or those of our Employees or owners, ahead of those of clients. Adviser has openly outlined the existence of the conflicts of interest stemming from any access to or delivery of Support Services/Products, in the interest of full disclosure. Further, Adviser's policies and procedures include diverse record-keeping obligations that are triggered in connection with Support Services/Products. For example, the attendance of a conference or meeting at the invitation and expense of an Institutional Broker/Custodian must be reported to Adviser's compliance department, ensuring that relevant material information is considered during Adviser's periodic best execution reviews.

**Please Note:** Section 28(e) of the Securities Exchange Act of 1934 generally provides that a person who exercises investment discretion with respect to an account, such as Adviser, will not be deemed to have breached its fiduciary duty under federal or state law or its best-execution obligations solely by causing the account to pay more than the lowest available commissions or other transaction-related fees, if such person determines in good faith that the amount of commissions or other transaction-related fees is reasonable in relation to the value of the brokerage and research services provided, based on a qualitative assessment of best execution, taking into consideration the full range of broker or dealer services, including the value of research provided, execution capability, commission rates or other transaction-related fee amounts, and responsiveness. Accordingly, although Adviser will seek competitive rates, it may not necessarily obtain the lowest possible commission rates or other transaction-related fee amounts for client account transactions. The protections of Section 28(e) do not extend to client-initiated unsolicited trades, as client-initiated unsolicited trades do not benefit from the investment research provided by a broker, dealer or custodian. However, the purchase of investment research services or products with commissions or other transaction-related fees paid in connection with client-initiated unsolicited trades may be explicitly permitted in the written agreement governing these accounts.

**Please Also Note:** The net interest rate spread applicable to cash or cash equivalents held by such Institutional Broker/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 brokers, dealers or 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 brokers, dealers or 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 brokers, dealers or 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 of Adviser’s Employees 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 Adviser’s interests, or those of our Employees or 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.

## (2) Soft Dollar Benefits

In addition to the research and benefits that Adviser receives from any Institutional Broker/Custodian as described in Item 12(A)(1), in connection with the acquisition of the investment advisory businesses of Legacy Groups/Individuals, Adviser may enter into commission sharing arrangements (“**CSAs**”) with the Institutional Brokers/Custodians formerly used by such Legacy Groups/Individuals, to continue to have such Institutional Brokers/Custodians pay for certain brokerage and research services or products, consistent with what such Legacy Groups/Individuals were receiving to manage client portfolios prior to their acquisition by Adviser, as permitted by Section 28(e) of the Securities Exchange Act of 1934 (a “soft dollar” arrangement). Adviser currently is not a party to any CSAs and does not have any soft dollar arrangements in place. However, in connection with the closing of an acquisition of the investment advisory business of one of our Legacy Groups/Individuals as of March 28, 2025 (“**Soft Dollar Legacy Group**”), the date of this annual filing, Adviser anticipates entering into a CSA with broker-dealer Wells Fargo, pursuant to which certain portion of the total commissions or other transaction-related fees charged by Wells Fargo for trades that it executes will be reserved and used to pay for brokerage and research services or products used to manage client portfolios within the meaning of Section 28(e) of the Securities Exchange Act of 1934. Research services or products within such Section 28(e) may include research created or developed by Wells Fargo (often referred to as “proprietary research”) or by third parties, including analyses pertaining to specific securities, companies or sectors, research reports (including market research); financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice on order execution; and certain proxy services. Brokerage services or products within such Section 28(e) may include Wells Fargo’s services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

**Conflicts of Interest:** The payment by clients of commissions or other transaction-related fees that the receiving Institutional Broker/Custodian partly allocates towards payment for brokerage and research products or services received by Adviser creates the following conflicts of interest between Adviser and any clients paying commissions or other transaction-related fees to such Institutional Broker/Custodian:

- Adviser has an incentive to select or recommend Institutional Brokers/Custodians based on Adviser's interest in reducing or eliminating what Adviser would need to pay for such brokerage or research products or services through the use of soft dollar brokerage and research products or services, rather than the clients' interest in receiving best execution. This constitutes a conflict of interest.
- Adviser has an incentive to increase the number of transaction orders subject to commissions or other transaction-related fees so that the Institutional Broker/Custodian receiving such payments pays for more soft dollar brokerage and research products or services and the Adviser pays for less or none. This constitutes a conflict of interest.
- Certain brokerage or research products or services obtained by Adviser with soft dollars may be used for investment decision-making purposes, as well as administrative or other non-investment decision making purposes (e.g., advertising). With respect to any such "mixed-use" products or services, Adviser will make a reasonable allocation of the cost of the products or services between "soft" and "hard" dollars based on the extent to which the services are used for investment decision making purposes (which may be paid for with "soft" dollars) versus administrative or other non-investment decision making purposes (which are paid for with "hard" dollars out of Adviser's own funds). Such allocation on the part of Adviser of costs of the products or services between "soft" and "hard" dollars presents conflicts of interest because:
  - Adviser has an incentive to characterize a larger proportion of "mixed-use" products or services as being used for investment decision making purposes, and increase the number of transaction orders subject to commissions or other transaction-related fees, in order to reduce what Adviser must pay for such "mixed-use" products or services).
  - The purchase with soft dollars of products or services of different types that are bundled together may be in such a way that Adviser may not know what is being paid for each service.

**How Adviser Addresses the Conflict(s):** Adviser has a fiduciary duty to clients and is required not to place Adviser's interests, or those of our Employees or owners, ahead of those of clients. Adviser has openly outlined the existence of the conflicts of interest arising in connection with soft dollar arrangements, in the interest of full disclosure. Further, Adviser's policies and procedures include diverse record-keeping obligations that are triggered in connection with soft dollar arrangements. For example, the attendance of a conference or meeting at the invitation and expense of an Institutional Broker/Custodian must be reported to Adviser's compliance department, ensuring that relevant material information is considered during Adviser's periodic best execution reviews. Adviser is sensitive to commission rates or other transaction-related fee amounts and their impact on client accounts and will not enter into a CSA without making a good faith determination that (1) the amount of any commissions or other transaction-related fees charged by the Institutional Broker/Custodian that is a party to such CSA is reasonable in relation to the value of the brokerage services and research benefits that are received and (2) Adviser complies with its best execution obligation. Adviser follows best execution policies and procedures that are intended to ensure that its limited receipt of soft dollar services and products is consistent with applicable law, including policies and procedures requiring compliance with best execution obligations and against churning.

**Please Note:** The commissions or other transaction-related fees charged by Institutional Brokers/Custodians are exclusive of, and in addition to, Adviser's Advisory Fee. As a result of soft dollar arrangements, the commissions or other transaction-related fees that clients pay to Institutional Brokers/Custodians may exceed the compensation that could be obtained from other brokers, dealers or custodians, particularly if such other brokers, dealers or custodians do not provide research or other services.

**Please Also Note:** Soft dollar products and services will be used by Adviser for the benefit of any or all clients. Many clients will benefit from soft dollar benefits even though they have not paid any, or any significant, commissions or other transaction-related fees that generate soft dollar credits. Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.



The following soft dollar brokerage and research products or services have been received by the Soft Dollar Legacy Group prior to the closing of Adviser's aforementioned acquisition of the Soft Dollar Legacy Group's investment advisory business. Any soft dollar brokerage and research products or services that Adviser receives upon its signing of a CSA with Well Fargo may be used to purchase similar or different services or products, and are subject to change at any time without notification.

- Orion Advisors Solutions
- Bloomberg Finance, LP (NYSE, Options, TSX)
- GKD Index Partners LLC (d/b/a Alerian)
- ICE Data Services Inc.
- Informa Investment Solutions – Zephyr
- NYSE
- Options Price Reporting Authority
- Right Capital
- TMX, Inc.

### 12(C) Brokerage for Client Referrals - 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 Adviser 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 Advisory Fee 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.

#### 12(D) Directed Brokerage

Adviser does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker, dealer or custodian). In client directed arrangements, the client will negotiate terms and arrangements for the client's account with that broker, dealer or custodian, the client will monitor investments held at such broker, dealer or custodian, Adviser will not seek better execution services or prices from other brokers, dealers or custodians and Adviser will not "batch" the client's transactions for execution through the other broker, dealer or custodian with orders for accounts of other clients managed by Adviser. As a result, client may pay higher commissions or other transaction-related fees 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 broker, dealer or custodian, the client hereby is advised that such direction may cause the accounts to incur higher commissions or other transaction-related fees 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.

#### 12(E) Best Execution

The commissions or other transaction-related fees paid by our clients to Institutional Brokers/Custodians with respect to trades of Assets Under Management are subject to our duty to obtain best execution. Adviser believes that the commissions and transaction-related fees charged by our Recommended Brokers/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 services of the Institutional Broker/Custodian. Please see the description below in this Item 12(E) of qualitative and quantitative factors considered by Adviser for purposes of its best execution determination. Accordingly, although Adviser will seek competitive commission rates or other transaction-related fee amounts, it may not necessarily obtain the lowest possible commissions or other transaction-related fees for client account transactions. As a result, clients may pay commissions or other transaction-related fees to Institutional Brokers/Custodians that are higher than those charged to effect the same transactions by other brokers, dealers or custodians, where Adviser determines, in good faith, that the commissions or other transaction-related fees are reasonable. Please note that Adviser's best execution responsibility is qualified if the securities that are being traded for client accounts are mutual funds that trade at net asset value determined as of the daily market close.

The accounts at a Recommended Broker/Custodian may be prime broker eligible so that, if and when the need arises to effect securities transactions at brokers, dealers or custodians other than such Recommended Broker/Custodian ("**executing brokers**"), such Recommended Broker/Custodian will accept delivery or deliver the applicable security from/to the executing broker. Some Recommended Brokers/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 Institutional Broker/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 various 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. The factors that Adviser considers include one or more of

the following, as Adviser determines to be appropriate for the particular situation:

- The financial strength, reputation, and stability of the Institutional Broker/Custodian;
- The availability of asset custody services (without a separate fee for custody);
- The ability efficiently to effect prompt and reliable execution, clearance and settlement of trades for client accounts;
- Competitive commission rates and transaction-related fee amounts (including applicable dealer spreads or margin interest rates);
- The willingness to negotiate commission rates and transaction-related fee amounts;
- The breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- 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;
- Access to a trading desk;
- Access to an electronic communications network for client order entry and account information;
- Block trading, which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts;
- Performance measurement;
- Online access to computerized data regarding client accounts;
- Availability, comprehensiveness, and frequency of brokerage and investment research and tools that assist Adviser in making investment decisions;
- Trading fees;
- The economic benefit to the client; or
- Related matters involved in the receipt of brokerage services.

Many of the trades that Adviser places on a given trading day are placed with each applicable Institutional Broker/Custodian as part of a block trade (see Item 12(H) - Order Aggregation below). Some trades that Adviser places on a given trading day are placed with each applicable Institutional Broker/Custodian at different times throughout such trading day and not as part of any block trade.

Commissions and transaction-related fees generally are assessed directly by the applicable Institutional Broker/Custodian per executed transaction against the client account in which the transaction takes place. Commissions generally are calculated as a percentage of the transaction value. Transaction-related fees generally are fixed amounts, such as a flat or fixed fee. The commission rate or transaction-related fee amount 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 commissions or transaction-related fees, at all. On the other hand, transactions with respect to other securities may be subject to commissions or transaction-related fees.

Adviser's Best Execution Committee meets periodically to conduct a best execution review, including an evaluation of its soft dollar practices and a determination, in good faith, of whether commission and transaction-related fees are reasonable in relation to the value of the brokerage and research services and products provided by the Institutional Brokers/Custodians. This determination will generally be viewed in terms of Adviser's overall responsibilities to its client accounts.

#### 12(F) Separate Managed Account Program Services

In the event that Adviser is engaged to provide investment advisory services as part of an unaffiliated managed account program/platform, the unaffiliated investment adviser that engages Adviser's services shall maintain both the initial and ongoing day-to-day relationship with the underlying investor, including initial and ongoing determination of the of the investor's suitability for Adviser's designated investment strategies.

If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Adviser will be unable to negotiate commissions or other transaction-related fees. The program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of commissions or other transaction-related fees to be charged to the participant investor accounts. As a result, the underlying investor may pay higher commissions or other transaction-related fees or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Adviser. Higher transaction costs adversely impact account performance.

### 12(G) Sub-Advisory Engagements

In the event that Adviser serves as a sub-adviser to any unaffiliated registered investment adviser per the terms and conditions of a written Sub-Advisory Agreement, the unaffiliated investment adviser that engages Adviser's sub-advisory services shall maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Adviser's designated investment strategies. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Adviser will be unable to negotiate commissions or other transaction-related fees, and/or seek better execution. As a result, the underlying client may pay higher commissions or other transaction-related fees or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Adviser. Higher transaction costs adversely impact account performance.

### 12(H) Order Aggregation

Many of our purchases or sales of a security in our client accounts 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 trade in 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 per applicable custodian 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.

Before entering a block order, a written allocation statement is prepared that includes the order details, the account details, and each account's intended order allocation. If the entire aggregated order is filled, it will be allocated according to the allocation statement. If the aggregated order is partially filled, it will be allocated pro rata. Pro rata trade allocation means an allocation of the trade is issued among applicable advisory clients in amounts proportional to each participating advisory client's intended investment. Adviser calculates the pro rata share of each transaction included in a block order and assigns the appropriate number of shares for each allocated transaction executed for a client's account. This process is executed on a per-custodian basis. It is possible for clients to receive different average prices from block trades executed on the same trading day due to multiple trade iterations.

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 applicable to clients and Employees relating to the same security that, if not bunched together, may experience significantly different execution prices. Bunching may also result in more favorable commissions or other transaction-related fees or a more equitable allocation of commissions or other transaction-related fees 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.

#### 12(I) 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.”

#### 12(J) Securities Allocations

Since Adviser manages accounts with similar investment strategies, 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.

Adviser’s advice to certain clients and any action of Adviser 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 risk tolerance, 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 aggregates many 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 (Please refer below to Item 12(N) – Unsolicited Trades).

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).

#### 12(K) Trade Errors

From time to time, Adviser, the applicable broker, dealer or custodian, or a sub-adviser may make an error in placing a trade on a client's behalf. Adviser generally defines "trade error" as the execution of a transaction on behalf of a client on terms other than those intended or the failure to execute a transaction on behalf of a client on the intended terms. 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.

Our policy is to ensure clients will be made whole following a trade error, with the objective to return the client's account to the position that it would have been in had there been no error by means of the responsible party reimbursing the client for any loss incurred. Adviser will typically process the correction through an error account with the applicable custodian. If the trade error results in a gain, the treatment of any gains resulting from trade error corrections will be dependent on which broker, dealer or custodian is processing the trade. Some brokers, dealers or custodians cause trade error gains to be donated to a charitable organization. In some instances, Adviser reimburses the client directly by providing a cash payment or a management fee credit.

#### 12(L) 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.

#### 12(M) Clients Placing Trades Directly with Custodians

Clients generally contact Adviser (instead of contacting the custodian of the account managed by Adviser ) to request the placement of trades with respect to such account. It may be possible (but some brokers, dealers or custodians may restrict this ability with respect to institutional accounts) for a client also to place a trade request/instruction directly with the applicable broker, dealer or custodian of any of such client's applicable accounts, including by placing the trade through the applicable broker, dealer or custodian's client portal (accessible via internet or mobile application) or by placing a phone call to the broker, dealer or 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 broker, dealer or 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 broker, dealer or custodian to inquire if such direct broker, dealer or custodian trading feature is available and, if so, to request the Custodian's assistance with the setting up of the same.

#### 12(N) 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 with respect to the account in which such trades are made and the overall investment

objectives or 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 an Institutional Broker/Custodian (where the client already has other accounts). Any investments in such a **retail account** or **courtesy account** are not Assets Under Management and **not included in the calculation of the Advisory 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, 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, and to request any Financial Planning.

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 risk tolerances and such client's communicated goals and objectives.

Client account(s) feeding through the Pontera platform will be reviewed at least quarterly. To facilitate use of the Pontera platform, the client securely logs into the Pontera site and entitles Adviser to manage the assets.

**Please Note:** It is possible, and not infrequent, for a specific account's investment objective not to be consistent with the client's risk tolerance. While risk tolerance is one of the factors that are taken into account in setting an account's investment objective, it is not the only one. The investment objective set for a particular account can deviate from a client's risk tolerance for good reasons, including:

- a large concentrated position in a low tax basis stock that client does not want to sell,
- a more aggressive investment objective because the account is for the benefit of children or grandchildren with a longer time-horizon or more aggressive risk-tolerance,
- a group of accounts being assigned to the same investment objective but being managed in the aggregate (in such case, the allocations to equities or fixed income in all such grouped accounts may be consistent

with the client's risk tolerance, even though the allocations to equities or fixed income in each such account may not be consistent).

**Please Also Note:** Sometimes, Adviser sets an investment objective with respect to a group of accounts and manages the assets in such group of accounts in the aggregate. In such case, Adviser will maintain allocations to equities or fixed income in all such grouped accounts, when viewed in the aggregate, consistent with the client's investment objective, but the allocations to equities or fixed income in each such account may not be consistent with the client's investment objective. and makes available a client portal, that shows the risk

**Quarterly Statements and Client Portal:** Adviser sends clients quarterly statements, and makes available to each client by means of Adviser's Client Portal, a variety of information with respect to such client, client's accounts and client's overall portfolio of investments managed or advised on by Adviser. Such information includes information regarding the client's overall portfolio, broken-down by asset category allocation (such as US Equities, Sector Equities, International Equities, Real Assets, Taxable Bonds, Municipal Bonds, Cash and Equivalents, etc.), or by risk category allocation (reflecting the allocation to Cash and Equivalents, Fixed Income, Equities, Alternatives, etc.). The same asset category allocation or risk category allocation can also be accessed through the Client Portal with respect to each account. Further, the Client Portal generally allows clients, by clicking on the applicable tabs within the Client Portal, to view information in summary form, to see actual performance information, and to view actual positions or transactions. This information makes it possible for clients conveniently to access updated information about their investments managed or advised upon by Adviser. Clients are reminded hereby, and also from time to time, to access their Client Portal periodically to conduct a review of their updated information in their Client Portal, and, if they discover any information in the Client Portal that needs to be modified for any reason whatsoever or raises any questions or comments, to contact their advisor immediately. For example, if any client feels that the risk category allocation applicable to such client on a portfolio basis as reflected in such client's Client Portal is not consistent with the client's then applicable overall risk tolerance group, the client hereby is asked promptly to contact the client's advisor to address that situation. Clients are also reminded to review every quarterly account statement that Adviser sends client, and, if they discover any information therein that needs to be modified for any reason whatsoever or raises any questions or comments, to contact their advisor immediately.

Adviser's investment strategies may include target allocations to broad asset classes (such as Domestic Equity, International Equity, Fixed Income, Alternatives, and Cash). Adviser's Investment Committee may make tactical or strategic allocations shifts to these broad asset classes, as well as their underlying sub asset classes or categories, at the Investment Committee's sole discretion. The Investment Committee can overweight or underweight target allocations to these broad asset classes in its discretion, provided that the target allocations to the two primary asset classes of (1) equities and (2) fixed income (which includes cash and cash equivalents) can be overweight or underweight by up to 20% of the target allocation to equities and fixed income. The allocation to equities and fixed income per investment strategy, as it stands at any given point in time, is referred to as Adviser's target allocation.

When Adviser acquires the investment advisory assets of Legacy Groups/Individuals, the investment strategies used by such Legacy Groups/Individuals generally are maintained post-closing. As a result, at any given time, there may be multiple Adviser investment strategies that are similar to each other. Adviser uses reasonable efforts to consolidate some of these similar investment strategies to enhance efficiencies.

#### 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 an Institutional Broker/Custodian, record-keeper or third-party administrator), which include a calculation of the applicable Advisory Fee. Clients may be able to access the above quarterly statements, portfolio summaries or reports on an ongoing basis by accessing their internet-based client portal.

Each Institutional Broker/Custodian has undertaken the responsibility to provide regular account statements directly to any applicable client. The statements of Institutional Brokers/Custodians are the official record of the client's Assets Under Management in a particular account and supersede 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 Institutional Broker/Custodian statements for the same period.

**Please Note:** Clients should be aware of certain slight discrepancies that sometimes occur between the account values as of the end of a quarter based on Adviser's quarterly statement and applicable Institutional Broker/Custodian's monthly account statement. Adviser includes in its quarterly statements the value of certain accrued month or quarter end interest or dividend payments and calculates the Advisory Fee based on its quarterly statements. Sometimes, the Institutional Broker/Custodian's account statement for such specific quarter may not include such payments because they are credited to the appropriate account after the specific quarter-end. When this occurs, the value reflected in Adviser's quarterly statement and used by Adviser to calculate the Advisory Fee will be slightly higher than the value reflected in the Institutional Broker/Custodian's account statement received by client.

The Financial Planning services provided by Adviser may include a written report containing an analysis (which may include applicable assumptions) and recommendations that is delivered as part of a regular review meeting or during a Financial Planning specific presentation meeting. The content of the financial plan depends on the particular terms of the engagement, including the specific scope of the services. For more information on Financial

Planning, please see Item 4(B)(2) above.

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.

Adviser 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.

## Item 14 Client Referrals and Other Compensation

### 14(A) Adviser Payments for Client Referrals

#### (1) Employee or Promoter Referrals

Adviser has agreements in place with several unaffiliated or affiliated individuals or entities pursuant to which any such individual or entity receives mutually agreed compensation from Adviser if any referral from such individual or entity of prospective qualified investment advisory clients results in revenue to Adviser.

- Affiliated individuals or entities under such arrangements are generally Employees, whose referrals are compensated by Adviser through the payment of a percentage of the Advisory Fee received by Adviser from the referred client for a limited period of time. Employees that refer clients and receive compensation from Adviser must disclose the nature of their relationship with Adviser to prospective clients at the time of the referral.
- Unaffiliated individuals or entities under such arrangements are generally referred to as "promoters" and compensated by Adviser through the payment of either a percentage of the Advisory Fee received by Adviser from the referred client or a flat fee, in each case during an expressly specified time-period. The promoter agreements are subject to the requirements of the Advisers Act, including its recent marketing rule amendments, which imposes disclosure obligations on promoters and supervision obligations on investment advisers in the context of testimonials or endorsements, and any corresponding state securities law requirements. Any such referral fee does not result in any increase to the Advisory Fee that Adviser would have charged without such referral. If a prospective client is introduced to Adviser by an unaffiliated promoter, the promoter, at the time of the referral, is required to disclose the nature of such promoter's relationship to Adviser, together with a copy of a separate written disclosure statement from the promoter to such prospective client disclosing the terms of the promoter arrangement between Adviser and the promoter, including the compensation to be received by the promoter from Adviser in connection with any referral. As noted above in Item 5(A)(5), a client's status as a promoter may, in addition to any compensation to be received from referrals pursuant to the applicable promoter agreement, result in a reduction in the Advisory Fee applicable to such promoter client.

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 Advisory Fee and does not result in an additional charge from Adviser 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) and Item 12(C) - Brokerage for Client Referrals - Schwab Advisor Network®).

## (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.

## 14(B) Other Compensation

### (1) Support Services and Products

Adviser receives an economic benefit in the form of different support products and services that are made available to us by some or all of the Institutional Brokers/Custodians. Please refer to Item 12 above for a detailed description of these economic benefits from support products and services.

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.

### (2) Pontera Platform

As discussed in detail in Item 4(B)(1) and Item 5(A)(10), Adviser uses Pontera, a third-party platform that facilitates the discretionary management of Assets Under Advisement of certain clients.

Adviser receives compensation from those clients for such Adviser's services. Such compensation is part of the Advisory Fee, is calculated on a quarterly basis based on the market value of the Assets Under Advisement on the Pontera platform as of the last day of the preceding calendar quarter, and is deducted by Adviser in advance from any Assets Under Management or invoiced in advance by Adviser to Client.

Pontera charges Adviser a percentage-based fee with respect to the market value of the Assets Under Advisement on the Pontera platform. Clients do not pay any additional fee to Pontera or to Adviser in connection with platform participation. Adviser is not affiliated with Pontera in any way and receives no compensation from Pontera for using Pontera's platform.

#### 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 Advisory 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 it 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.