



FORM ADV PART 2A - FIRM BROCHURE

Item 1 – Cover Page

Level Four Capital Management, LLC
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Date of Brochure: March 30, 2026

This brochure provides information about the qualifications and investment advisory business practices of Level Four Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 866-834-1040. 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.

Additional information about our investment advisory business is also available on the Internet at www.adviserinfo.sec.gov. You can view our information on this website by searching for "Level Four Capital Management, LLC." You can also search using the Firm's CRD number. The CRD number for the Firm is **304792**.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Since filing the firm’s most recent amendment to this brochure dated September 12, 2025, we have made the following updates:

Item 4 – Advisory Business. This section was updated to reflect assets under management for the firm as of 12/31/2025.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss – This section was updated to reflect information regarding a tax overlay strategy now offered by the firm.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31, so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Introduction

Level Four Capital Management, (referred to as “LFCM”, the “Firm”, “us” and “we” in this Disclosure Brochure), is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Texas.

The Firm was formed in June 2019 primarily provides asset management services. The Firm will be managing assets previously managed by Level Four Asset Management (“LFAM”), a division of Level Four Advisory Services, LLC (“LFAS”), an affiliate company sharing common ownership with LFCM as detailed below.

The Firm is owned and controlled by Level Four Group. Level Four Group is a holding company and the 100% owner of LFCM. Level Four Group is owned and operated by Carr, Riggs & Ingram Capital, LLC, a Delaware limited liability company. Carr, Riggs & Ingram Capital, LLC is 100% owned by Carr, Riggs & Ingram, L.L.C., an Alabama limited liability company. No individuals own more than 25% of Carr, Riggs & Ingram, LLC. Level Four Advisory Services, LLC is an affiliate company and SEC registered investment adviser also owned and controlled by Level Four Group.

Client Assets Managed by LFCM

The amount of client assets managed by LFCM totaled approximately \$1,381,485,153 as of December 31, 2025. \$1,381,485,153 is managed on a discretionary basis and \$0 is managed on a non-discretionary basis.

General Description Advisory Services

LFCM primarily provides advisory services in the form of asset management services directly or through either a Third-Party arrangement or a Sub-Advisory arrangement with either affiliated or unaffiliated SEC and state-registered investment advisory firms to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

More specifically, LFCM has developed separately managed accounts and various asset allocation models intended to achieve a particular investment goal or to meet particular risk and return characteristics. These models are not tailored to accommodate the needs or objectives of a specific individual, but rather are designed to enable an advisor to match its clients to an investment solution that is overall consistent with that client’s investment goals and objectives.

LFCM provides portfolio management for managed asset programs that are offered on a wrap fee or non-wrap fee basis through a managed account program using accounts established with Raymond James and Associates, Inc., member New York Stock Exchange/SIPC (“RJA”), Fidelity Institutional Wealth Services (“Fidelity”), Charles Schwab & Co., Inc. (“Schwab”) and other qualified custodians as approved by LFCM. The accounts established through these custodians are held in separate account(s) in the name of the end client. The applicable custodian maintains physical custody of all funds and securities in that account, with the end client retaining all rights of ownership, including without limitation, the right to withdraw securities funds and the right to exercise or delegate proxy voting.

Sub-Advisory relationship. In connection with such services, LFCM does not have a direct investment advisory relationship with either the advisor or the advisor's end clients, nor does LFCM conduct an independent investigation of the advisor's end client or the client's financial condition. Instead, the 'referring advisor' who may either be a registered advisory representative with Level Four Advisory Services, LLC, ("LFAS") or another referring advisor serves as the advisor to its client and is responsible for analyzing the client's current financial situation, risk tolerance, time horizon, and asset class preference. LFCM serves as a sub-advisor according to the terms of a written Sub-Adviser Agreement. The referring adviser is responsible for the recommendation and selection of LFCM on behalf of the client.

These asset management services are provided on a discretionary basis and LFCM accordingly makes all decisions to buy, sell or hold securities, cash or other investments in the managed account without consulting you as the end client and you must provide written authorization for this exercise of discretionary authority at the time your account is established. This discretionary authority is limited to trading authorization only and LFCM will not have access to your funds and/or securities with the exception of having advisory fees debited directly from your account and paid to LFCM by the account custodian.

When client accounts are managed using models, investment selections are based on the underlying model and the firm does not typically develop customized (or individualized) portfolio holdings for each client. However, the firm may on an exception basis, develop portfolio holdings on an individualized basis based upon client-imposed social restrictions or as otherwise agreed to on a case-by-case basis. The determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates and is assessed in consultation with the referring adviser.

Once the advisor allocates one or more investment styles or models to a client's account, assets allocated to the strategy or model by the advisor will be invested by LFCM in accordance with the applicable investment style or model, as updated by LFCM's investment committee from time to time.

Client assets that are allocated to an investment style or model are subject to the risk that performance may deviate from the performance of a style or model.

LFCM also provides services as a sub-adviser to a large cap growth exchange-traded fund ("ETF" or "Fund") registered under the Investment Company Act of 1940 and distributed by ALPS Distributors, LLC ("ALPS"). LFCM does not tailor its advisory services to the individual needs of the investors in the Fund. Rather, as sub-adviser to the Fund, LFCM coordinates the investment and reinvestment of the assets of the Fund and determines the composition of the assets of such Fund, in accordance with the terms of its sub-advisory agreement with the advisor of the Fund, as well as the Fund's Prospectus and Statement of Material Information, which set forth the Fund's investment strategy, guidelines and restrictions. Prospective investors in the Fund should review these documents carefully before making any investment in the Fund.

Types of Investments

In addition to its role as sub-adviser to the Fund as described herein, LFCM offers actively managed portfolios consisting of equities, fixed income (including without limitation government securities, investment grade and high yield corporate

bonds, floating rate senior loans, emerging market debt, mortgage -backed securities, and ultra-short duration securities), alternatives (including private equity and private credit), mutual funds and exchange traded funds ("ETF's).

Item 5 – Account Requirements and Types of Clients

In addition to the information provided in Item 4 – Advisory Business, this section provides details regarding LFCM's services along with descriptions of each service's fees and compensation arrangements. Clients are advised that they may pay more or less than other clients for similar services, however the fees clients will pay for advisory services will not exceed the fees established in the descriptions below.

Asset Management

This section is intended as a summary of the Wrap Fee Programs sponsored by LFAS through which asset management services may be provided by LFCM. Clients working with an LFAS Advisory Representative as the referring adviser will receive the corresponding Wrap Fee Program Brochure of LFCM as the sub-adviser which provides detailed information on the chosen program.

A. Managed Assets Program

Through the Managed Assets Program, LFCM provides asset management services with respect to buying, selling, reinvesting, or holding securities, cash or other investments held by qualified custodians, Fidelity and Schwab.

LFCM will provide the exact percentage-based fee to each client based on both the nature and total dollar asset value of the account(s). Management fees for client accounts are calculated and billed monthly in advance based on the fair market value of client's account(s) assets under management as of the last business day of the previous calendar month based upon actual days/365. New accounts are billed twice at the beginning of the month following funding date – once in arrears from funding date through the end of the month and once in advance for the next month billing. In the event fees are changed at any point during a billing month, billing changes will be facilitated as of the first day of the next (following) billing month. In the event of termination, the Firm will refund the prorated portion of the fee for the remainder of the month in which the account is terminated.

The annual investment advisory fee charged to Program accounts participating in the Managed Asset Program will not exceed 2.5% of the assets held in the account on an annual basis. Fees charged to your account(s) may be negotiable and thus may be higher or lower than fees charged to other clients based on the investment adviser representative providing the services, your financial situation and circumstances, the amount of assets under management, the strategy or models used to manage accounts, and the complexity of the services provided.

In a sub-advisory relationship, management fees assessed by LFCM in its sub-advisory capacity are paid by LFAS directly to LFCM as portfolio manager out of the annual Client Advisory fee. The general fees paid to LFCM as sub-advisor are disclosed in the client Investment Advisory Agreement and are negotiable. Fees will typically be debited from your account by the account custodian pursuant to written authorization provided at the establishment of the account. The account custodian will provide client statements at least quarterly, showing all deductions from the account, including any associated with the advisory fee payment.

B. Participant Asset Management Program

LFCM provides investment supervisory services defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client through the Participant Asset Management Program. Services for this program are provided primarily to participants in employer-sponsored retirement plans and small-business retirement plans. Specifically, we provide advice to individual retirement plan accounts such as, but not limited to, 403(b) and 401(k) participant accounts.

The annual investment advisory fee charged to Program accounts participating in the Participant Asset Management program will not exceed 1.25% of the assets held in the account on an annual basis. The annual fee is negotiable with the client depending on the market value of the account, asset types, the client's financial situation and trading activity. Fee waivers or discounts may be offered to family members and friends of associated persons of LFAS which are not available to other clients.

The annual fee shall be divided and payable monthly in advance through a direct debit in the client account. Fees are based on the account's asset value as of the last business day of the prior month and are based upon actual days/365. New accounts are billed twice at the beginning of the month following funding date – once in arrears from funding date through the end of the month and once in advance for the next month billing. In the event of termination, the Firm will refund the prorated portion of the Advisory Fee for the remainder of the month in which the account is terminated.

The custodian for the program, Fidelity, is responsible for the calculation of fees and the investment advisory entity, LFAS, is responsible for debiting all fees from client accounts. Clients must provide their qualified custodian written authorization to debit advisory fees from their accounts and pay such fees to LFAS.

In a sub-advisory relationship, management fees assessed by LFCM in its sub-advisory capacity are paid by LFAS directly to LFCM as portfolio manager out of the annual Client Advisory fee. The general fees paid to LFCM as sub-advisor are disclosed in the client Investment Advisory Agreement and are negotiable. Fees will typically be debited from your account by the account custodian pursuant to written authorization provided at the establishment of the account. The account custodian will provide client statements at least quarterly, showing all deductions from the account, including any associated with the advisory fee payment.

C. ICA Platform Program

Asset management services may also be provided through a wrap fee program sponsored by affiliate company, LFAS, which is provided through its association with Level Four Financial Services, LLC and Raymond James & Associates (RJA). This program has been developed through an arrangement with RJA whereby LFAS utilizes RJA's ICA platform. Clients participating in this program are required to establish a brokerage account through Level Four Financial, LLC on RJA's platform. Accounts participating in the ICA Platform Program may either be managed on a discretionary or non-discretionary basis by the representative or may be managed on a discretionary basis with a sub-advisor appointed as portfolio manager who provides management of model portfolios of equity and/or fixed income securities. When your account(s) are managed using models, investment selections are based upon the underlying model and the firm does not develop customized (or individualized) portfolio holdings. However, the determination to select a particular model or models is always based on a client's individual investment goals, objectives, and mandates. In the event a sub-advisor is selected to manage the account on a sub-advisory basis, the sub-advisor utilized will be Level Four Capital Management, LLC ("LFCM"), an investment adviser registered with the SEC. LFCM is also owned by the same parent company as LFAS, Level Four Group, and accordingly is an affiliate of both Level Four Financial and Level Four Advisory Service.

In the event the sub-advisory services of LFCM are utilized in connection with the ICA Platform program, minimum asset values for participation in the program will vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$10,000; however, lower minimums may be negotiated. The advisory representative receives a portion of the fee for services provided and LFCM's sub-advisory fee is paid out of the total advisory fee. For further information on the ICA program, clients should refer to terms of the account agreements as well as the Level Four Advisory Services Wrap Fee - ICA Platform Program brochure and respective manager's disclosure document for more details.

The annual investment advisory fee charged to Program accounts participating in the ICA Platform program will not exceed 2.5% of the assets held in the account on an annual basis. Advisory fees may be charged according to a flat or tiered fee schedule as documented in the Investment Advisory Agreement. Client accounts are not combined for billing purposes, but rather are billed on a per account basis. The annual fee is negotiable with the client depending on the market value of the account, asset types, the client's financial situation and trading activity. The annual asset-based fee is paid monthly in advance. Fees are based on the account's asset value as of the last business day of the prior month and are based upon actual days/365. New accounts are billed twice at the beginning of the month following funding date – once in arrears from funding date through the end of the month and once in advance for the next month billing. If fees are changed at any point during the billing month, billing changes will be facilitated as of the next billing month. In the event of termination, the Firm will refund the prorated portion of the Advisory Fee for the remainder of the month in which the account is terminated.

In this program, you authorize and direct RJA as custodian to deduct asset-based fees from your account; you also authorize and direct RJA as custodian to send a quarterly statement to you which shows all amounts disbursed from your account, including advisory (management) fees paid to LFAS.

D. Use of Betterment for Solo 401(K) Custody and Platform Services

The Firm's affiliated investment advisory firm, Level Four Advisory Services, LLC ("LFAS") recommends Betterment for Advisors ("Betterment"), an SEC-registered investment adviser, to serve as custodian and platform provider for clients utilizing a Solo 401(k) retirement plan. Betterment offers digital investment advisory and custodial services and maintains custody of client assets in accordance with regulatory requirements.

Betterment is an independent third party and not affiliated with the Firm or LFAS. While we believe Betterment provides a user-friendly platform, low-cost investment options, and operational support suitable for Solo 401(k) plans, clients are not obligated to use Betterment and may choose another qualified custodian for their Solo 401(k) assets.

Betterment charges separate custodial or platform fees, which are disclosed in their own Form ADV and client agreements. These fees are in addition to the advisory fee charged by LFAS and the asset management fees paid to the Firm for investments in the Firm's asset allocation portfolios which are the only investments permitted through LFAS's Betterment platform.

LFAS will assist with establishing and managing Solo 401(k) plans held at Betterment, including investment selection and ongoing management through Firm asset allocation portfolios, but does not act as the plan administrator or ERISA fiduciary unless otherwise stated in writing.

Clients are encouraged to review all associated costs and services prior to selecting a custodian for their Solo 401(k) plan.

E. Managed Account Program Services

We also provide discretionary investment advisory services in connection with dual contract programs (“Managed Account Programs”). The Managed Account Programs we participate in may be sponsored by affiliated or non-affiliated entities and may involve strategies of other outside managers in addition to our own. In these arrangements, the Managed Account Program sponsor typically has primary responsibility for client communications and service. In dual contract programs, the client enters into an investment management agreement for discretionary investment management services directly with us and a separate agreement with the program sponsor.

Managed Account Program Fees

The fees we receive from Managed Account Program sponsors generally range from .35% to .50% of the assets in the program to which our services relate. We offer a variety of investment strategies through one or more Managed Account Programs. Additional information concerning specific Managed Account Programs is available from the Managed Account Program sponsors. The terms of the client's agreement, including the client's right to terminate our services, will vary from sponsor to sponsor. Typically, clients participating in Managed Account Programs may pay a “wrap” fee or “bundled” fee, which generally covers investment advisory, custodial, client servicing, accounting and certain trade execution (i.e., brokerage) services. This fee is described in more detail in each program sponsor's disclosure document. Clients may incur additional fees or charges in connection with their accounts or certain securities transactions. These may include any other execution or service charges, dealer mark-ups and mark-downs, odd-lot differentials, exchange fees, transfer taxes, electronic fund transfer fees, trust custodial fees and any charges mandated by law. In these programs, to the extent we execute client trades other than through the sponsor or other designated broker-dealers having arrangements with the sponsor, separate transaction charges are typically paid by the client. Certain Retail Managed Account Program sponsors may vary the services provided and can provide more detail on the specific services they offer.

Client fees are payable to the Managed Account Program sponsor, either in advance or arrears on a monthly basis, and are typically based on the previous month's ending value of assets in the account. A portion of the fee paid by the client is then paid to us for the investment advisory services we provide to the client. In dual contract programs, the fee paid to the sponsor does not include a fee for investment advisory services. In these arrangements, an investment advisory fee, generally ranging from .35% to .50% and paid in advance on a monthly basis, is payable directly to us by the client. Agreements with Managed Account Program sponsors can be terminated at the written request of either the client or the program sponsor. To the extent we receive any prepaid fees for a period following a termination date, the fees will generally be refunded.

The Managed Account Program client and his or her financial advisor are responsible for determining a suitable asset allocation strategy for the client's investment portfolio and selecting the investment strategies used to implement such asset allocation strategy, in accordance with the client's investment objectives, risk tolerance and financial status. We are responsible solely for making investment decisions in accordance with the investment strategy selected by the client and his or her financial advisor, including any reasonable investment restrictions established by the client. Smaller minimum account sizes generally apply to participants in Managed Account Programs. These minimums are described in more detail in each Managed Account Program sponsor's disclosure document. The program sponsor may allow us to waive account minimums in connection with these programs. Where we are provided with this discretion, we are able to apply the same consideration factors described above with respect to institutional separately managed account management in determining whether to waive an account minimum. In dual contract programs, we generally require clients to have a

minimum account size of \$100,000, which may be waived subject to the aforementioned consideration factors. We may pay fees from our own resources to certain Managed Account Program sponsors. These may include program technology fees for use of technology necessary to provide our services to a program and data analytics fees for information regarding the sale of our services through a program. See your program sponsor for information. We reserve the right to decline any account where we exercise discretion. We reserve the right to resign as investment adviser to any of these discretionary accounts, subject to the terms of the client contract.

Investment Strategies Offered Through Managed Account Programs

The strategies that we offer through Managed Account Programs are modeled after one of our institutional mandates and may have similar names. We provide these strategies on a discretionary basis. We also offer a wide variety of model portfolios which allocate assets to different asset classes ("Asset Allocation Model Portfolios") and are comprised primarily of underlying proprietary and/or non-proprietary investment products, including mutual funds and exchange traded products. Primary methods of analysis for our Asset Allocation Model Portfolios are driven by a regimented research framework designed to evaluate economic conditions and market environments. Long term strategic analysis and short-term tactical analysis seek to identify opportunities and risks based on key indicators. The strategic analysis leverages proprietary research and resultant capital market assumptions, which are used to determine strategic allocations that align with the corresponding portfolio's investment objective and risk tolerance. Tactical analysis is continuous and fluid in response to changing market conditions. Three broad areas of tactical analysis are conducted: top-down/macro analysis, asset class analysis, and valuation analysis. Asset Allocation Model Portfolios are subject to the risks of the underlying investment products in which they invest. The risks of underlying mutual funds and ETFs can be found in each fund's prospectus. You can request a current copy of any such fund's prospectus by visiting that fund's website or contacting your Managed Account Program sponsor. Material risks that apply to every Asset Allocation Model Portfolio strategy include Market Risk, Active Management Risk, Allocation Risk, Implementation Risk, Liquidity Risk and Volatility Risk (each as described in this Brochure).

Managed Account Program Trades

Managed Account Program orders are not treated separately from orders for other client accounts that are buying and selling the same securities through Schwab as custodian. Timing delays or other operational factors associated with the implementation of trades may result in Managed Account Program clients receiving materially different prices relative to other Managed Account Program clients or our other client accounts. However, brokerage commissions and other charges for transactions not effected through the sponsor or its broker-dealer affiliate are typically charged to the client. For this reason, most transactions for such clients will be affected through the Managed Account Program sponsors. See your Managed Account Program sponsor for more information. We are not in a position to negotiate commission rates with the program sponsors on behalf of Managed Account Program clients.

Other Types of Fees or Expenses

LFCM may include mutual funds and exchange traded funds, (ETFs) in asset management strategies. LFCM's general policy is to purchase institutional share classes of those mutual funds that may be selected for a client's portfolio. The institutional share class generally has the lowest expense ratio and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of the assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based

costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. The expenses come from the client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. Mutual funds that offer institutional share classes, advisory share classes and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts and accounts that the fund considers qualified fee-based programs. If an institutional share class is not available for the mutual fund selected, LFCM will endeavor to purchase the least expensive share class available for that particular mutual fund. However, the lowest-cost mutual fund share class for a particular fund may not be offered or available through specific types of LFCM program accounts. Clients should never assume that they will be invested in the share class with the lowest possible expense ratio or cost.

Margin Loans

Margin accounts are offered where you may borrow funds for the purpose of purchasing additional securities. You may also use a margin account to borrow money to pay for fees associated with your account or to withdraw funds. If you decide to open a margin account, please carefully consider that: (i) if you do not have available cash in your account and use margin, you are borrowing money to purchase securities, pay for fees associated with your account, or withdraw funds; and (ii) you are using the investments that you own in the account as collateral.

Although the firm does not generally encourage the use of margin in an advisory account, certain Advisory Programs may permit margin borrowing and trading and it may be permitted if determined to be in a particular client's best interest. Margin will not be extended in an advisory account unless authorized by you through a separate margin agreement. You are responsible for notifying us if you decide that you no longer want to use margin in your account. You may also discontinue use of margin in your account according to the terms of the Client Agreement. We are not responsible for any losses resulting from our failure or delay in implementing such instructions.

Margin Loans Are Subject to Separate Terms and Conditions. If you take out a Margin Loan, the terms and conditions applicable to the Margin Loan are governed by the Margin Disclosure Statement and the Client Agreement. You should carefully review the terms, conditions, and risk disclosures for Margin Loans and understand that such risks are heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. Certain eligibility requirements must be met, and documentation in the form of a separate margin agreement must be completed prior to using margin.

As discussed above, if you use margin to purchase additional securities, your account value increase and therefore the amount of fees you pay will increase. You will also be charged margin interest on the debit balance in your account, which is in addition to the advisory account program fee which is charged. Investment advisory fees are calculated net of margin, meaning that margin balances are treated as negative or zero for billing purposes.

Using Margin Involves Higher Risks. Generally, we believe that the use of margin adds risk to a portfolio that you should not assume unless you are prepared to experience significant losses. Losses in the value of an asset purchased on margin will be magnified because of the use of borrowed money. You can lose more funds than amounts deposited in margin accounts. In addition, you generally will not benefit from using margin unless the performance of your Account exceeds

interest expenses on the Margin Loan plus advisory fees incurred. You should also understand that the use of margin can negatively impact our ability to rebalance your Account. You should carefully consider whether the additional risks are appropriate prior to using margin due to the increased potential for significantly greater losses associated with using margin. You assume full responsibility for the use of margin in your Account. Please see the Margin Disclosure Statement and the Client Agreement for more details on the risks of margin use. You should read this documentation carefully.

As previously noted, management services may be provided on either a Non-Wrap Fee or Wrap Fee basis. In a Non-Wrap Fee account transaction ticket fees charged by the custodian will be billed directly to your account by the custodian. We will not receive any portion of such transaction fees from the custodian or you. In a Wrap Fee account transaction ticket fees charged by the custodian will be included in the fee you pay LFAS. Transaction ticket fees are billed directly to us by the qualified custodian for the account and we will pay such costs, but we do not receive any portion of such fees. Please note that the firm does not incur any such transaction fees in connection with the RJA ICA wrap program.

For LFCM's ETF sub-advisory services, LFCM generally enters into a sub-advisory agreement directly with the ETF's primary advisor for its services. Such agreements contain LFCM's sub-advisory fees, which are negotiated on a case-by-case basis. Generally, fees are calculated as a percentage of the net assets of invested capital and are payable monthly. Such fees are generally disclosed in such Fund's offering documents. This relationship is a conflict of interest for any recommendations made by the firm relating to such ETF's as LFCM's fees are based upon the value of net assets in such Fund and thus the firm has incentive to increase assets in the Fund. LFCM addresses this conflict in a variety of ways, including, disclosure of various conflicts as detailed in this Brochure. Moreover, the firm and its affiliate company advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon the client's investment objectives, risk tolerance and financial situation and needs.

In addition to management fees paid to referring advisor and LFCM, private equity and private credit funds offered through the firm also have internal expenses, including without limitation, a .25% sponsor fee, .15% operating expense fee, .45% investment management fee, and underlying fund manager fees estimated to be from .95% to 1.50%, with additional carry over fees ranging from 10% to 15%. Total fees for such products should generally not exceed 3.50%.

In addition to reading this Brochure carefully, LFCM urges clients to discuss with their referring advisor whether lower-cost share classes or products are appropriate and available in their particular program account in consideration of their expected investment holding periods, amounts invested, and anticipated trading frequency. Clients should also ask their referring advisor why the particular funds or other investments that will be purchased or held in their managed account are appropriate for them in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of advisory fee charged, whether the client will pay transactions charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transactions charges that could adversely affect long-term performance, and relevant tax considerations. Your advisor may recommend, select, or continue to hold a fund share class that charges you higher internal expenses than other available share classes for the same fund. Further information regarding fees and charges assessed by a mutual fund is available in the appropriate mutual fund prospectus. Further information regarding fees and charges assessed by a private credit or private equity fund is available in the fund's corresponding offering memorandum.

Upon termination of your account, LFCM may liquidate or exchange investments for the share class corresponding to the size of your individual investment in the fund. Dollars received from the redemption of fund shares outside of LFCM's

management may have tax consequences or additional costs from sales charges and/or redemption fees. Such fees would be in addition to our fee. LFCM will not receive any portion of any redemption fees that may be charged by third parties.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because LFCM does not charge or accept performance-based fees which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

As LFCM manages investments for a variety of clients, including without limitation, ETF's and SMA's, potential conflicts of interest can arise from the side-by-side management of these clients based upon fee structures. LFCM has policies and procedures designed and implemented to prevent this conflict from influencing the allocations of investment opportunities among clients.

Item 7 – Types of Clients

LFCM generally provides investment advice and investment management services through either a third-party arrangement or a sub-advisory arrangement with either affiliated (LFAS) or unaffiliated SEC and state-registered investment advisers to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit-sharing plans
- Charitable organizations
- Trusts and estates
- State or municipal government entities
- Corporations or business entities other than those listed above
- ETF's

Minimum Investment Amounts Required

For accounts managed in investment strategies developed by the LFCM Investment Committee, a minimum of \$10,000 is required for asset allocation models, \$100,000 for equity portfolios, \$100,000 for taxable fixed income (corporate bonds), \$175,000 for tax exempt/municipals, and \$500,000 for tax exempt high yield municipals. Exceptions to these minimums may be granted at the discretion of LFAS/LFCM. Accounts investing in a private fund alternative (credit or equity) product must have a minimum of \$250,000 to invest.

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

The LFCM approach to investment management employs a blend of internal, proprietary investment portfolios managed by our team of professionals, as well as externally sourced investment solutions to compliment a client's target allocation. It is this mix of capabilities that we believe allows us to access the best solution on behalf of clients. We believe this approach offers us the best of both worlds in high caliber separately managed accounts, and industry leading capabilities

in the mutual fund and exchange traded fund space to maximize the growth and protective features of client portfolios. Our ultimate objective is to deliver upon a disciplined investment philosophy and create custom solutions.

LFCM Equity Portfolios

LFCM offers actively managed equity portfolios across a range of investment styles. Our individual security portfolios deliver to clients a customized solution designed to achieve a client's objective. LFCM portfolio managers employ a disciplined investment process, applying both quantitative analysis and fundamental research to construct diversified portfolios. Some equity portfolios may be managed through sub-advisory relationships with other registered investment advisory entity(ies) and fees associated with such relationships are paid out of LFCM's own sub-advisory fee.

- Quantitative Screening – Begin with a global universe of publicly traded stocks. Then, employ a series of proprietary quantitative screens for filter for structural constraints and superior financial characteristics.
- Fundamental Analysis – Perform valuation analysis of historical stock price and company earnings data. Review each company's fundamental qualities to determine the stock's intrinsic value and growth opportunities.
- Portfolio Construction – Construct a diversified portfolio of 40-50 stocks that possess superior financial characteristics, subject to risk controls.
- Sell Discipline – Fundamental re-evaluation of portfolio holdings to validate deterioration of factors and overall investment thesis.

Funds

With regards to Funds to which LFCM will be serving as a sub-advisor, LFCM may use any asset class or investment vehicle permitted by an underlying benchmark, index, or the disclosure document of the Fund. Overall strategy is based upon the corresponding strategy used for asset allocation strategies as described herein. Investors should refer to a Fund's offering documents for further information regarding its particular investment strategy.

LFCM Fixed Income Portfolios

LFCM offers actively managed fixed income portfolios for taxable and tax-exempt investors through sub-advisory relationships other registered investment advisory entities to manage, invest, and reinvest fixed income assets and fees associated with such relationship are paid out of LFCM's own sub-advisory fee. These strategies can be customized to meet the individual investment goals of our clients, with particular emphasis on capital preservation and competitive total returns. Client portfolios can be customized to address tax status and state of residence, credit quality, target duration, and cash flow requirements.

- Tax-Exempt Portfolios - Quantitative analysis and fundamental research seeks to find higher yielding undervalued bonds within the municipal market. The investment process begins by applying total return scenario analysis using multiple interest rate assumptions over different time horizons to help select bonds with the most favorable total returns over multiple interest rate scenarios (i.e. movements). This method takes advantage of the inefficiencies

within the municipal market through an investment process that combines diligent credit analysis of individual borrowers coupled with a thorough understanding of the major opportunities and risks within municipal sectors.

- **Taxable Portfolios** - We evaluate the core and unconventional fixed income universe. Asset classes include, but are not limited to, government securities, investment grade and high yield corporate bonds, floating rate senior loans, emerging market debt, mortgage-backed securities, and ultra-short duration securities. The process systematically evaluates relative strength, investment outlook, and relative valuation among asset classes to determine allocations that best capture market trends and near-term opportunities. This approach seeks to manage interest rate risk and credit exposure to arrive at optimal asset class allocations. The core framework is designed around seeking total return as a primary objective with preservation of capital as a secondary objective. Risk management is a critical component of the entire process and is embedded in both the fundamental credit analysis and portfolio construction.

Asset Allocation

For clients seeking a comprehensive solution, LFCM Asset Allocation models seek to provide the highest rate of return for a given level of risk. Our investment selection and allocation is based on forward-looking capital market assumptions and an in-depth investment screening process to optimize the appropriate mix of equity, bond, and alternative investments. The investment process employed utilizes a combined Top-Down and Bottom-Up approach to formulate the Strategic Models.

- **MACRO ANALYSIS TO DETERMINE CAPITAL MARKET ASSUMPTIONS** - Macro Analysis employs both internal and externally sourced research. Internal research tools include quarterly Economic Strategy Workbook, historical market data, and analysis of the current Economic and Business Cycle. Externally, we source and leverage high quality street research.
- **ASSET ALLOCATIONS AND MODEL ESTABLISHMENT** - Current model allocations are determined and established based on the application of the investment committee's research and analysis work within the confines of the investment process.
- **SECURITY SELECTION** - Using our security selection process, we build the model portfolios bottom-up, employing a multi-factor scoring system to identify investment vehicles that exhibit robust risk and return characteristics.

Generally speaking, portfolios will be designed based on the following objectives:

- Income with Capital Preservation,
- Income with Moderate Growth,
- Growth with Income,
- Moderate Growth
- Growth

In the development of these portfolios, LFCM's Investment Committee uses industry standard techniques that include technical analysis and fundamental analysis. Each model engages its own type of techniques, execution tactics and use of research tools to enhance the ability to manage assets effectively in accordance with its stated objectives. The firm utilizes a number of standard industry research sources and publications including without limitation, Bloomberg.

Alternative Investment Strategies –Private Credit and Private Equity fund

Certain Quailified Purchasers who seek the potential for longer-term growth, do not have a need for liquidity, and who have the knowledge and experience to evaluate the risks and meet the following financial requirements in order to bear the risks of such products are eligible to invest in a private credit and/or private equity fund product managed by an unaffiliated investment manager through engagement with LFCM:

- A person who has at least \$5 million in investments
- A \$5 million firm or investments owned by close family members
- A trust, albeit not one formed particularly for the investment in question, with at least \$5 million in assets
- An investment manager who manages at least \$25 million in assets
- A corporation with investment worth at least \$25 million

Clients will generally be limited to investing up to ten percent (10%) of their investable assets in one alternative investment.

Private Equity and Credit Funds seek to provide investors with a multi-manager, multi-strategy private fund that provides diversified access to highly rated private managers.

Digital Asset Strategy

Through its association with affiliated investment advisory entity, LFAS, LFCM offers a cryptocurrency ETF portfolio strategy (Crypto Completion portfolio) for investors who want limited exposure to digital assets within a managed portfolio composed of exchange trade funds (ETF's).

The Crypto Completion portfolio is initially composed of spot Bitcoin ETFs and spot Ethereum ETFs (together, "crypto ETFs") to provide clients with exposure to the two largest crypto assets, Bitcoin and Ethereum, weighted generally by their market capitalization. The particular ETFs used in the Crypto Completion portfolio are subject to change.

Spot ETFs track the price movements of Bitcoin and Ethereum in real time by holding crypto assets, as opposed to futures ETFs which track the price movements of cryptocurrency futures contracts. Different cryptocurrency spot ETFs use different methodologies for tracking price, so price movements may vary between the spot crypto ETFs selected for the Crypto ETF portfolio and other spot crypto ETFs for the same digital assets.

The crypto ETFs selected for inclusion in the Crypto Completion portfolio are selected based on LFCM's investment selection process, which evaluates ETFs for inclusion based on cost to trade and cost to hold the funds, among other factors. As with every portfolio strategy that LFCM offers, LFCM has the discretion to choose which specific crypto ETFs to purchase or sell to further clients' investment objectives, as well as when to place trades for those ETFs. The particular ETFs used in the Crypto Completion portfolio are subject to change.

ETF returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed, or sold, may be worth more or less than their original cost. The crypto ETFs bear increased risk relative to other broad-market ETFs based on their concentration of exposure to underlying crypto holdings and the increased volatility of those holdings as compared to more diversified U.S. stock and bond ETFs. Crypto ETFs represent a speculative investment and involve a higher degree of risk relative to most diversified, unlevered stock and bond ETFs. Supply of the underlying crypto assets generally is determined by a computer code, not by a central bank or identifiable legal entity, which also impacts volatility. Other factors that impact the price volatility of the underlying crypto assets, include, but are not limited to investors' expectations with respect to the rate of inflation, general market sentiment about crypto as an asset class, interest rates,

currency exchange rates or future regulatory measures (if any) that restrict the trading of crypto or the use of crypto as a form of payment. There is no assurance that cryptocurrencies and/or crypto assets will maintain their long-term value in terms of purchasing power, or that acceptance of cryptocurrency as a medium of exchange will grow. Crypto asset trading may not generally be appropriate, including without limitation Investments in the Crypto Completion portfolio for assets drawn from retirement savings, borrowed assets, student loans, mortgages, emergency funds or funds set aside for other purposes.

Tax Overlay StrategyThe firm utilizes a tax-overlay portfolio management strategy implemented through the Canvas platform ("Canvas"), a third party direct indexing and tax management solution. Under this approach, client portfolios may hold individual equity securities designed to approximate the risk and return characteristics of a target index while enabling ongoing tax management at the individual security level.

Key features of the strategy may include tax-loss harvesting, gain deferral, customized security restrictions, and periodic portfolio rebalancing designed to maintain alignment with a client's investment objectives while seeking to improve after-tax outcomes.

Because the strategy holds individual securities rather than a pooled investment vehicle such as a mutual fund or exchange-traded fund ("ETF"), portfolios may experience tracking errors relative to the reference index. Tracking error may also result from tax-management activities, portfolio customization, client-imposed restrictions, or differences in portfolio construction.

Tax-management techniques, including tax-loss harvesting, depend on a client's individual tax situation and are not guaranteed to produce a tax benefit. The value of harvested losses depends on a client's ability to utilize capital losses, current and future tax rates, and future market conditions. Clients should consult their tax advisor regarding the potential tax consequences of this strategy.

Canvas is a third-party technology and trading platform that assists in implementing the strategy. While our firm determines portfolio parameters and provides ongoing monitoring and oversight, certain portfolio management and trading functions may be performed by the platform according to the strategy parameters established by our firm. Our firm performs due diligence on third-party providers but does not control all aspects of their operations.

Clients utilizing this strategy may incur additional costs, including transaction costs, platform or implementation fees, and our firm's advisory fee. These costs are described in greater detail in client agreements but generally range from 15bps to 65bps depending upon the overlay strategy selected. Accounts using the tax overlay strategy are subject to a minimum overlay fee of \$375/year.

Investing through a direct indexing strategy involves risks, including market risk, tracking error risk, tax-management risk, and the possible loss of principal. There is no assurance the strategy will achieve its investment or tax objectives.

Clients may request reasonable restrictions on securities or industries; however, such restrictions may affect diversification and portfolio performance relative to the reference index.

Risk of Loss

Given the very wide range of investments in which a client's assets may be invested, either directly by investing in individual securities and/or through one or more pooled investment vehicles or funds, there is similarly a very wide range of risks to which a Client's assets may be exposed. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular advisory account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which advisory accounts may invest. The particular risks to which a specific Client might be exposed will depend on the specific investment strategies incorporated into that Client's portfolio. As such, for a detailed description of the material risks of investing in a particular product, the Client should, on or prior to investing, also refer to such product's prospectus or other offering materials.

Set forth below are certain material risks to which a client might be exposed in connection with LFAS's implementation of a strategy for Client accounts:

- **Absolute Return** – A portfolio that seeks to achieve an absolute return with reduced correlation to stock and bond markets may not achieve positive returns over short or long-term periods. Investment strategies that have historically been non-correlated or have demonstrated low correlations to one another or to stock and 10 bond markets may become correlated at certain times and, as a result, may cease to function as anticipated over either short or long-term periods.
- **Asset Allocation Risk** – The risk that an investment advisor's decisions regarding a portfolio's allocation to asset classes or underlying funds will not anticipate market trends successfully.
- **Asset-Backed Securities Risk** – Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities. Securitization trusts generally do not have any assets or sources of funds other than the receivables and related property they own, and asset-backed securities are generally not insured or guaranteed by the related sponsor or any other entity. Asset-backed securities may be more illiquid than more conventional types of fixed-income securities that the portfolio may acquire.
- **Below Investment Grade Securities (Junk Bonds) Risk** – Fixed income securities rated below investment grade (junk bonds) involve greater risks of default or downgrade and are generally more volatile than investment grade securities because the prospect for repayment of principal and interest of many of these securities is speculative. Because these securities typically offer a higher rate of return to compensate investors for these risks, they are sometimes referred to as "high yield bonds," but there is no guarantee that an investment in these securities will result in a high rate of return. These risks may be increased in foreign and emerging markets.
- **Corporate Fixed Income Securities Risk** – Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as to perceptions of the creditworthiness and business prospects of individual issuers.
- **Credit Risk** – The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation. **Currency Risk** – As a result of investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies the risk that foreign currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency 11 hedged. In either event, the dollar value of an investment in the portfolio would be adversely affected. To the extent that a portfolio takes active or passive positions in currencies it will be subject

to the risk that currency exchange rates may fluctuate in response to, among other things, changes in interest rates, intervention (or failure to intervene) by U.S. or foreign governments, central banks or supranational entities, or by the imposition of currency controls or other political developments in the United States or abroad.

- **Cybersecurity Risk** - Intentional cybersecurity breaches such as unauthorized access to systems, networks or devices, computer viruses or other malicious software code and other cyberattacks that shut down, disable, slow or otherwise disrupt business operations, processes or website access or functionality represent another risk for clients. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information. Such breaches could result in the loss or theft of customer data or funds, the inability to access electronic systems, loss or theft of proprietary information, physical damage to a computer or network system, or costs associated with system repairs.
- **Depository Receipts** – Depository receipts, such as American Depository Receipts (ADRs), are certificates evidencing ownership of shares of a foreign issuer that are issued by depository banks and generally trade on an established market. Depository receipts are subject to many of the risks associated with investing directly in foreign securities, including among other things, political, social and economic developments abroad, currency movements, and different legal, regulatory and tax environments.
- **Digital Assets Risk (ETF)** -ETF returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed, or sold, may be worth more or less than their original cost. The crypto ETFs bear increased risk relative to other broad-market ETFs based on their concentration of exposure to underlying crypto holdings and the increased volatility of those holdings as compared to more diversified U.S. stock and bond ETFs. Crypto ETFs represent a speculative investment and involve a higher degree of risk relative to most diversified, unlevered stock and bond ETFs. Supply of the underlying crypto assets generally is determined by a computer code, not by a central bank or identifiable legal entity, which also impacts volatility. Other factors that impact the price volatility of the underlying crypto assets, include, but are not limited to investors' expectations with respect to the rate of inflation, general market sentiment about crypto as an asset class, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of crypto or the use of crypto as a form of payment. There is no assurance that cryptocurrencies and/or crypto assets will maintain their long-term value in terms of purchasing power, or that acceptance of cryptocurrency as a medium of exchange will grow. Crypto asset trading may not generally be appropriate, including without limitation Investments in the Crypto ETF portfolio for assets drawn from retirement savings, borrowed assets, student loans, mortgages, emergency funds or funds set aside for other purposes.
 - **Volatility:** Historically, digital assets have experienced rapid increases in price followed by similarly rapid decreases in price. As is true for all investments, prior performance of a crypto ETF is not necessarily indicative of future results. Clients should be prepared to bear the risk of permanent loss of principal in their crypto ETF investments.
 - **Limited Investment History:** Crypto ETFs have only emerged recently as an investment opportunity and crypto spot ETFs have emerged even more recently. It is unclear what the long-term performance of crypto ETFs is likely to be, and their abbreviated history does not provide a reliable basis for modeling future returns.
 - **Technology Risk:** The crypto assets underlying the crypto ETFs are created, issued, transmitted, and stored according to protocols run by computers in the crypto assets network. It is possible these protocols have

undiscovered flaws which could result in the loss of some or all of the underlying crypto assets. There may also be network scale attacks against these protocols that result in the loss of some or all of the underlying crypto assets. Some underlying crypto assets may be created, issued, or transmitted using experimental cryptography that could have underlying flaws. Advancements in quantum computing and artificial intelligence could lead to the breakdown of the sophisticated cryptographic protocols used for managing crypto assets. Betterment makes no guarantees about the reliability of the cryptography used to create, issue, or transmit the crypto assets underlying the crypto ETFs.

- Blockchain Risk: Certain crypto assets may rely on or are built on a public or third-party blockchain, and the success of such a blockchain may have a direct impact on the success of the crypto assets, as well as the success of other blockchain and decentralized data storage systems that are being used by the crypto assets. There is no guarantee that any of these systems or their sponsors will continue to exist or be successful. This could lead to disruptions of the operations of the crypto assets underlying the crypto ETFs and could negatively impact the returns of the crypto ETFs.
 - Regulatory Risk: There is significant uncertainty regarding the regulatory treatment of crypto assets in the U.S. The effect of any future regulatory change on crypto is impossible to predict, but such change could be substantial and adverse and could negatively impact the liquidity and/or returns of the crypto ETFs.
- Duration Risk – Longer-term securities in which a portfolio may invest tend to be more volatile than shorter term securities. A portfolio with a longer average portfolio duration is more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.
 - Equity Market Risk – The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Equity market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole.
 - Exchange-Traded Funds (ETFs) Risk (including leveraged ETFs) – The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. Leveraged ETFs contain all of the risks that non-leveraged ETFs present. Additionally, to the extent the portfolio invests in ETFs that achieve leveraged exposure to their underlying indexes through the use of derivative instruments, the portfolio will indirectly be subject to leverage risk, described below. Leveraged Inverse ETFs seek to provide investment results that match a negative multiple of the performance of an underlying index. To the extent that the portfolio invests in Leveraged Inverse ETFs, the portfolio will indirectly be subject to the risk that the performance of such ETF will fall as the performance of that ETF's benchmark rises. Leveraged and Leveraged Inverse ETFs often "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. These investment vehicles may be extremely volatile and can potentially expose a portfolio to significant losses.
 - Extension Risk – The risk that rising interest rates may extend the duration of a fixed income security, typically reducing the security's value.
 - Fixed Income Market Risk – The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including

governments and their agencies. Generally, fixed income securities will decrease in value if interest rates rise and vice versa. In a low interest rate environment, risks associated with rising rates are heightened. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, a portfolio's value may fluctuate, and its liquidity may be impacted.

- Foreign Investment/Emerging Markets Risk – The risk that non-U.S. securities may be subject to additional risks due to, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments. These additional risks may be heightened with respect to emerging market countries because political turmoil and rapid changes in economic conditions are more likely to occur in these countries.
- Income Risk – The possibility that a portfolio's yield will decline due to falling interest rates. Inflation Protected Securities Risk – The value of inflation protected securities, including TIPS, will typically fluctuate in response to changes in "real" interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.
- Interest Rate Risk – The risk that a rise in interest rates will cause a fall in the value of fixed income securities, including U.S. Government securities in which the portfolio invests. 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. A low interest rate environment may present greater interest rate risk, because there may be a greater likelihood of rates increasing and rates may increase more rapidly.
- Investment Company Risk – When a portfolio invests in an investment company, including mutual funds, closed-end funds and ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company's expenses. Further, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the portfolio may be subject to additional or different risks than if the portfolio had invested directly in the underlying investments. For example, the lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. Closed-end investment companies issue a fixed number of shares that trade on a stock exchange or over the counter at a premium or a discount to their net asset value. As a result, a closed-end fund's share price fluctuates based on what another investor is willing to pay rather than on the market value of the securities in the fund.
- Investment Style Risk – The risk that the portfolio's strategy may underperform other segments of the markets or the markets as a whole.
- Large Capitalization Risk – The risk that larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.

- **Leverage Risk** – A portfolio’s use of derivatives may result in the portfolio’s total investment exposure substantially exceeding the value of its securities and the portfolio’s investment returns depending substantially on the performance of securities that the portfolio may not directly own. The use of leverage can amplify the effects of market volatility on the portfolio’s value and may also cause the portfolio to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. The portfolio’s use of leverage may result in a heightened risk of investment loss.
- **Liquidity Risk** – The risk that certain securities may be difficult or impossible to sell at the time and the price that the portfolio would like. The portfolio may have to lower the price of the security, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance.
- **Market Risk** – The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. Market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole.
- **Money Market Funds** – With respect to an investment in money market funds, an investment in the money market fund is not a bank deposit nor is it insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund may seek to maintain a constant price per share of \$1.00, you may lose money by investing in the money market fund. The Fund may experience periods of heavy redemptions that could cause the Fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. This could have a significant adverse effect on the Fund’s ability to maintain a stable \$1.00 share price, and, in extreme circumstances, could cause the Fund to suspend redemptions and liquidate completely.
- **Mortgage-Backed Securities Risk** – Mortgage-backed securities are affected significantly by the rate of prepayments and modifications of the mortgage loans backing those securities, as well as by other factors such as borrower defaults, delinquencies, realized or liquidation losses and other shortfalls. Mortgage-backed securities are particularly sensitive to prepayment risk, which is described below, given that the term to maturity for mortgage loans is generally substantially longer than the expected lives of those securities; however, the timing and number of prepayments cannot be accurately predicted. The timing of changes in the rate of prepayments of the mortgage loans may significantly affect the portfolio’s actual yield to maturity on any mortgage-backed securities, even if the average rate of principal payments is consistent with the portfolio’s expectation. Along with prepayment risk, mortgage-backed securities are significantly affected by interest rate risk, which is described above. In a low interest rate environment, mortgage loan prepayments would generally be expected to increase due to factors such as refinancing and loan modifications at lower interest rates. In contrast, if prevailing interest rates rise, prepayments of mortgage loans would generally be expected to decline and therefore extend the weighted average lives of mortgage-backed securities held or acquired by the portfolio.
- **Municipal Securities Risk** – Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities generally respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer’s current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from

private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to repay principal and to make interest payments on securities owned by a portfolio meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of a portfolio's holdings. As a result, the portfolio will be more susceptible to factors which adversely affect issuers of municipal obligations than a portfolio which does not have as great a concentration in municipal obligations. Municipal obligations may be underwritten or guaranteed by a relatively small number of financial services firms, so changes in the municipal securities market that affect those firms may decrease the availability of municipal instruments in the market, thereby making it difficult to identify and obtain appropriate investments for the portfolio. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by the portfolio. Any changes in the financial condition of municipal issuers also may adversely affect the value of the portfolio's securities.

- Non-Diversified Risk – To the extent that a portfolio is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the portfolio may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers and may experience increased volatility due to its investments in those securities.
- Opportunity Risk – The risk of missing out on an investment opportunity because the assets necessary to take advantage of it are tied up in other investments.
- Overlay Risk – To the extent that a Client's portfolio is implemented through an Overlay Manager, it is subject to the risk that its performance may deviate from the performance of a sub-advisor's model or the performance of other proprietary or Client accounts over which the sub-advisor retains trading authority ("Other Accounts"). The Overlay Manager's variation from the sub-advisor's model portfolio may contribute to performance deviations, including under performance. In addition, a sub-advisor may implement its model portfolio for its Other Accounts prior to submitting its model to the Overlay Manager. In these circumstances, trades placed by the Overlay Manager pursuant to a model portfolio may be subject to price movements that result in the Client's portfolio receiving prices that are different from the prices obtained by the sub-advisor for its Other Accounts, including less favorable prices. The risk of such price deviations may increase for large orders or where securities are thinly traded.
- Portfolio Turnover Risk – To the extent that a portfolio buys and sells securities frequently, such activity may result in increased brokerage or other higher transaction costs and additional capital gains tax liabilities, which may affect the portfolio's performance. These costs affect the portfolio's performance. To the extent that a portfolio invests in an underlying fund the portfolio will have no control over the turnover of the underlying fund
- Prepayment Risk – The risk that, in a declining interest rate environment, fixed income securities with stated interest rates may have the principal paid earlier than expected, requiring a portfolio to invest the proceeds at generally lower interest rates.
- Quantitative Investing – A quantitative investment style generally involves the use of computers to implement a systematic or rules-based approach to selecting investments based on specific measurable factors. Due to the

significant role technology plays in such strategies, they carry the risk of unintended or unrecognized issues or flaws in the design, coding, implementation or maintenance of the computer programs or technology used in the development and implementation of the quantitative strategy. These issues or flaws, which can be difficult to identify, may result in the implementation of a portfolio that is 15 different from that which was intended, and could negatively impact investment returns. Such risks should be viewed as an inherent element of investing in an investment strategy that relies heavily upon quantitative models and computerization.

- Real Estate Industry Risk – Securities of companies principally engaged in the real estate industry may be subject to the risks associated with direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions. If a portfolio's investments are concentrated in issuers conducting business in the real estate industry, the portfolio may be subject to legislative or regulatory changes, adverse market conditions and/or increased competition affecting that industry.
- Real Estate Investment Trusts (REITs) – REITs are trusts that invest primarily in commercial real estate or real estate-related loans. Investments in REITs are subject to the risks associated with the direct ownership of real estate which is discussed above. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. Sampling Risk – With respect to investments in index funds or a portfolio designed to track the performance of an index, a fund or portfolio may not fully replicate a benchmark index and may hold securities not included in the index. As a result, a fund or portfolio may not track the return of its benchmark index as well as it would have if the fund or portfolio purchased all of the securities in its benchmark index.
- Small and Medium Capitalization Risk – Small and medium capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, small and medium capitalization companies may have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small capitalization and medium capitalization stocks may be more volatile than those of larger companies. Small capitalization and medium capitalization stocks may be traded over the counter or listed on an exchange.
- Social Investment Criteria Risk – If a portfolio is subject to certain social investment criteria it may avoid purchasing certain securities for social reasons when it is otherwise economically advantageous to purchase those securities or may sell certain securities for social reasons when it is otherwise economically advantageous to hold those securities. In general, the application of portfolio's social investment criteria may affect the portfolio's exposure to certain industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these industries or sectors are in or out of favor.
- Taxation Risk – LFCM does not represent in any manner that the tax consequences described as part of its tax management techniques and strategies will be achieved or that any of LFCM's tax-management techniques, or any of its products and/or services, will result in any particular tax consequence. The tax consequences of the tax-management techniques, including those intended to harvest tax losses, and other strategies that LFCM may pursue are complex and uncertain and may be challenged by the IRS. A portfolio that is managed to minimize tax consequences to Clients will likely still earn taxable income and gains from time to time. In order to pay tax-exempt interest, tax-exempt securities must meet certain legal requirements. Failure to meet such requirements

may cause the interest received and distributed by the portfolio to shareholders to be taxable. Changes or proposed changes in federal tax laws may cause the prices of tax-exempt securities to fall. The federal income tax treatment on payments with respect to certain derivative contracts is unclear. Consequently, a portfolio may receive payments that are treated as ordinary income for federal income tax purposes.

- **Tracking Error Risk** – The risk that the performance of a portfolio designed to track an index may vary substantially from the performance of the benchmark index it tracks as a result of cash flows, portfolio expenses, imperfect correlation between the portfolio's and benchmark's investments and other factors.
- **Underlying Funds Risk** – With respect to portfolios that invest in underlying funds, additional investment risk exists because the value of such investments is based primarily on the performance of the underlying funds. Specifically, with respect to alternative investment funds, the entity's sponsors will make investment and management decisions. Therefore, an underlying fund's returns are dependent on the investment decisions made by its management and the portfolio will not participate in the management or control the investment decisions of the alternative investment fund. Further, the returns on a portfolio may be negatively impacted by liquidity restrictions imposed by the governing documents of an alternative investment fund such as "lockup" periods, gates, redemption fees and management's ability to suspend redemptions (in certain cases). Such lock-up periods, gates or suspensions may restrict the portfolio's ability to exit from an alternative investment fund in accordance with the intended business plan and prevent the portfolio from liquidating its position upon favorable terms. All of these factors may limit the portfolio's return under certain circumstances.
- **U.S. Government Securities Risk** – 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. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Item 9 – Disciplinary Information

This item is not applicable to our brochure because there are no legal or disciplinary events listed in Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

LFCM is not and does not currently have a related company that is a (1) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (2) futures commission merchant, commodity pool operator, or commodity trading advisor, (3) pension consultant, (4) real estate broker or dealer, (5) sponsor or syndicator of limited partnerships, or (6) law firm.

Level Four Advisory Services, LLC

However, the firm is under common control with and does serve as sub-advisor to Level Four Advisory Services, LLC ("LFAS"), an SEC registered investment adviser that offers retail investment advisory services. LFCM and LFAS will share office space and some operational personnel.

LFCM's only business is providing asset management services as described in this brochure. The majority of individuals registered with LFCM are also dually registered and provide advisory services, either from an administrative perspective or in connection with portfolio management functions with LFAS.

Level Four Financial Services, LLC

The firm is under common control with and serves as sub-advisor to Level Four Financial Services, LLC ("LFF") a FINRA registered and SEC registered investment adviser. LFF is registered as a municipal securities dealer. LFF and LFCM will share office space and some operational personnel.

Additionally, one or more of LFCM's registered persons may also be dually registered with affiliated broker dealer, Level Four Financial, LLC and will receive usual and customary commissions in connection with the purchase or sale of securities products in their capacities as such.

Level Four Business Solutions, LLC

LFCM is under common control with a business consulting firm, Level Four Business Solutions, LLC, ("LFBS") which provides various business solutions to businesses through engagement of services. Some of LFAS' representatives may provide such services through a separate engagement with LFBS.

Level Four Insurance Agency, LLC

Level Four Group, LLC is the sole owner of LFCM and Level Four Insurance Agency, LLC, a licensed insurance agency. Some of LFCM's registered persons sell insurance products through Level Four Insurance Agency and will receive usual and customary commissions for these transactions.

Carr, Riggs & Ingram, L.L.C.

Our parent company, Level Four Group, is indirectly controlled by Carr, Riggs, & Ingram, L.L.C. (CRI), an Alabama limited liability company and accounting firm. Although clients of LFCM in need of accounting services will typically be referred to the client's individual Advisory Representative's related accounting firm, clients may also be referred to CRI. Because of CRI's relationship to LFCM and cross selling and referrals of services between the two firms, we have a financial incentive to recommend CRI over other accounting firms. Moreover, CRI may and frequently does refer their accounting clients to LFAS for investment management services and potentially to LFCM for asset management services. Due to the relationship between CRI and LFCM, CRI has an economic incentive to recommend LFCM/LFAS over other financial firms offering similar services to those offered by LFCM/LFAS.

CRI is also the 100% indirect owner of a number of financial services-related entities, including without limitation, Auditwerx, LLC, another accounting firm, CRI Solutions Group, LLC, an executive consulting firm, CRI Advanced Analytics,

an analytics firm, CRI TPA Services, a third party administrator firm, CRI M&A, LLC, a mergers and acquisitions advisory firm and registered broker/dealer, CRI Simple Numbers, a business profitability consulting firm and Paywerx, a payroll management solution. LFCM does not have direct material arrangements with these firms; however, may share or refer clients with such firms.

If you are referred to an affiliated company of LFCM or referred by an affiliated company of LFCM, there is an inherent conflict as the corporate parent of these related companies does serve to benefit from such referrals. Please understand you are under no obligation to work with LFCM or one of our affiliated companies. You can work with any accounting firm, investment advisor or other financial professional of your choosing.

The Preferred Legacy National Trust Bank

The firm is under common control with and may serve as sub-advisor to The Preferred Legacy National Trust Bank, a national bank. These entities remain operationally independent of one another.

If you are referred to an affiliated company of LFCM or referred by an affiliated company of LFCM, please understand you are under no obligation to work with LFCM or one of our affiliated companies. You can work with any accounting firm, investment advisor or other financial professional of your choosing.

Conflict of Interest: In the event LFCM asset management services are engaged through an advisory relationship established through affiliated investment advisory entity LFAS or affiliated broker-dealer, LFF, or any other affiliate of LFCM as previously disclosed, presents a ***conflict of interest***, as the receipt of fees in connection with the advisory relationship may provide an incentive to recommend investment products or services based on fees to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through an affiliate relationship. Clients are reminded that they may purchase securities and insurance through other, non-affiliated broker-dealers and/or insurance agencies. As previously disclosed, since LFCM's fees as sub-advisor to ETF's are based upon the value of net assets in such Fund(s), the firm has an incentive to increase assets in the Fund.

LFCM addresses these conflicts in a variety of ways, including, disclosure of various conflicts as detailed in this Brochure. Moreover, LFAS advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon the client's investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address conflicts of interest – both those arising between and among accounts as well as between accounts and our business. **LFCM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making 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 your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

LFCM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Securities Backed Lines of Credit

Some client accounts introduced for LFCM sub-advisory services by either LFAS and/or LFF may include Securities Backed Lines of Credit (SBLOCs), which provide borrowers with a borrowing alternative to selling assets in order to access cash. LFCM typically does not recommend SBLOCs to clients, and LFCM does not receive any compensation directly related to a client opening an SBLOC.

Conflict of Interest: Although the decision to open a SBLOC is driven by the client, a conflict of interest may exist in the event affiliated investment advisory entity LFAS recommends that a client open a SBLOC in lieu of withdrawing funds as LFAS could continue to charge asset management fees based on those assets while creating a substantial risk of loss to the client. Further, LFAS would be conflicted if such a recommendation is made. LFAS would also be conflicted in the management of the advisory client's account as LFAS' fiduciary duty to manage the account according to the agreed upon investment objective and risk tolerance may not be consistent with LFAS' obligation to manage the account in a manner that will maintain adequate collateral. Further there is a conflict due the agreement between custodian RJA and affiliated broker-dealer LFF, wherein RJA agrees to pay LFF a portion of the interest earned on securities-based lending loan balances in advisory accounts at LFAS, with the exception of advisory accounts on the RJA ICA platform. The firm addresses these conflicts through disclosure and by following the general fiduciary responsibility as its guiding principle for management of the account in addition to the fact that investment advisory representatives do not receive or otherwise directly share in the interest payments received by LFF from RJA. In the event any information arises during the SBLOC application process that would indicate a need for any revisions to the account including the investment objectives and or risk tolerance, the account will be accordingly updated to ensure that it continues to be managed in accordance with the client's needs.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making 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 your best interest;

- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts. In addition, an investment adviser has a duty of utmost good faith to act solely in the best interest of each of its clients. LFCM and its Advisory Representatives have a fiduciary duty to all clients. LFCM has established a Code of Ethics which all Advisory Representatives must adhere to. They must execute an annual acknowledgment agreeing that they understand and agree to comply with that Code of Ethics.

The fiduciary duty of LFCM and its Advisory Representatives to clients is considered the core underlying principle for LFCM's Code of Ethics and represents the expected basis for all dealings the Advisory Representatives have with clients. LFCM has the responsibility to make sure that the interests of clients are placed ahead of it or its Advisory Representatives' own investment interests. All Advisory Representatives will conduct business in an honest, ethical and fair manner. All Advisory Representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All Advisory Representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the Advisory Representatives' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of LFCM's Code of Ethics. If current clients or potential clients wish to review LFCM's Code of Ethics in its entirety, a copy may be requested from any of LFCM's Advisory Representatives and a copy will be promptly provided.

Affiliate and Employee Personal Securities Transactions Disclosure

LFCM, our Advisory Representatives and/or our personnel may buy or sell securities in their personal accounts that we may also recommend to clients. Because this policy may create a conflict between the interests of clients and the personal investing opportunities of our personnel, we have established several procedures to control for the apparent conflict of interest.

- LFCM is and shall continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. Personnel shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, from information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.
- It is our policy that no Advisory Representative shall prefer his or her own interest to that of the advisory client.
- Our personnel may not purchase or sell any security traded over an exchange (such as a stock position) prior to transactions in the same securities are implemented for an advisory client account.
- Most investments owned by our personnel are publicly traded and widely available (such as mutual funds).

Reporting Requirements

Every supervised person who has access to client accounts must submit a report of all personal securities holdings at the time of association with LFCM as well as on a quarterly and an annual basis thereafter. Such reports must contain information relating to the title and type of security, the security symbol or CUSIP number, the number of shares and principal amount of each reportable security, the name of the broker dealer or bank with which the supervised person maintains and account and the date the report was submitted. LFCM may meet its requirements in this regard by contracting with a service provider to establish direct brokerage feeds from such institutions and/or a review of brokerage statements or confirmations.

Item 12 – Brokerage Practices

LFF, RJA, Fidelity and Schwab generally serve as broker/dealers and qualified custodians for all accounts established through the firm's different advisory programs. LFCM's recommendation of these qualified custodians is based primarily on minimizing client fees and expenses, but also on past experiences, as well as offerings or services each provides that LFCM or clients may require or find valuable. The firm may be limited in the broker-dealer or custodians that we are permitted to use due to some LFAS Advisory Representatives' relationship with Level Four Financial, LLC and that firm's respective duty to supervise their actions. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. Clients are required to use one of the firm's designated custodial partners in order to receive asset management services from LFCM.

In the event LFCM is engaged to provide asset management services through its affiliate relationship with LFAS, LFAS referring advisors will generally recommend that clients establish a brokerage account with LFF and RJA to maintain custody of clients' assets and to effect trades for their accounts.

Our affiliated broker dealer, LFF, has a clearing and custody relationship with RJA, from which LFF receives economic benefits. This creates a conflict of interest because, while we offer other custodians on our platform, we have a financial incentive to recommend RJA due to these economic benefits. Clients should be aware that custodians both on and off our platform may offer different features, such as lower costs, additional services or other benefits that might better suit their needs. It is possible that you will pay higher commissions and/or trading costs than those that are available elsewhere. To address this conflict, we disclose it to you and maintain policies and procedures intended to consider factors such as execution quality, services capabilities, costs and overall client value when making recommendations.

Clients are reminded that they are not under any obligation to custody securities at RJA (unless participating in the ICA wrap program where custody at RJA is required) or purchase securities commission products through LFF and that they are able to purchase such products through other, non-affiliated broker dealers or registered representatives.

Not all investment advisors require the use of a particular broker/dealer or custodian. By requiring clients to use a particular broker/dealer, LFCM may not achieve the most favorable execution of client transactions and the practice of requiring the use of specific broker/dealers may cost clients more money than if the client use a different broker/dealer or custodian. However, for compliance and operational efficiencies, LFCM requires the use of certain broker/dealers and other qualified custodians as determined by LFCM.

It should be noted that accounts may or may not be charged a separate fee for transactions executed by the qualified custodian. It is the discretion of the referring advisor after consultation with the client to determine if the client's Program account will be charged for all transactions (non-wrap) or if the transaction fees will be included in the overall management fee charged by LFCM (wrap). When clients are charged on a per transaction basis, the transaction fee will appear on the client's individual account statement from the qualified custodian.

Please note that transaction fees are not charged in connection with the ICA wrap program. This represents a conflict of interest in that the firm has incentive to recommend the ICA program vs. other wrap or advisory programs, as it does not incur transaction fees as may be the case in other programs and/or wrap accounts, including those offered through the firm. To address this conflict, we disclose it to you, maintain policies and procedures to ensure that recommendations are made in the best interest of the client as well as consideration of factors such as execution quality, service capabilities, overall costs and overall client value when making recommendations, and require that account reviews be conducted in connection with account opening as well as at a minimum on an annual basis

Raymond James & Associates clearing relationship

Those LFAS Advisory Representatives that are dually registered with LFF may recommend that clients establish a brokerage (if registered representative) through LFF, in which Raymond James Advisors ("RJA"), member FINRA/SIPC, serves as custodian of assets.

Due to the fact that LFF is an affiliated company of LFCM and affiliated investment advisory entity LFAS through common ownership as previously described, there is an inherent conflict of interest in the event clients select services provided through LFF through which representatives may earn commission-based compensation in their separate capacities as registered representatives of LFF. LFAS attempts to mitigate these conflicts of interest by evaluating and recommending that clients use the best platform and custodian that serves their needs. LFAS considers expense, fee structure and overall services provided when recommending any particular platform or service, including those offered through LFF.

RJA is the clearing and custodial firm for affiliated firm, Level Four Financials' brokerage business and is a custodial option for LFAS advisory accounts. RJA offers their broker-dealer client's substantial financial strength and stability, economies of scale, and reliable, state-of-the-art technology. We believe that RJA provides quality execution services for you at competitive prices. As part of this business relationship, LFF, as broker/dealer, pays RJA various execution and clearing charges and fees in connection with RJA maintaining custody and effecting the purchase and sale of securities for our clients. RJA has a revenue-sharing arrangement with our affiliated broker-dealer LFF. According to the terms of the agreement, RJA agrees to pay LFF a portion of the interest earned on margin debit balances and securities-based lending loan balances in advisory accounts at LFAS, with the exception of advisory accounts on the RJA ICA platform. RJA also agrees to pay LFF a portion of the revenue it receives from most mutual funds companies. This is a conflict of interest at the firm level since the firm (LFAS) has an incentive to establish margin and/or securities-based loans or to recommend mutual funds to earn additional revenue. This conflict is mitigated by disclosing it to you in addition to the fact that LFAS IARs do not receive or otherwise directly share in the interest payments received by LFF from RJA. Also, as part of the revenue-sharing arrangement, RJA agrees to pay LFF a portion of the interest earned on credit and cash sweep balances in advisory accounts with the exception of advisory accounts on the RJA ICA platform. This is a conflict of interest at the firm level since the firm (LFAS) has an incentive to have Clients maintain assets in one of the available cash sweep vehicles. In addition to disclosing, it to you, LFAS IARs do not receive or otherwise directly share in the interest payments received by LFF from RJA. This conflict is further mitigated by the controls around billing on cash balances. LFF's receipt of these and other revenue streams through its clearing relationship with RJA supports and defrays the costs LFF has related to the

ongoing operational and administrative maintenance of Client accounts and compensates LFF for the various services it provides in its role as broker-dealer of record. As part of this business relationship, LFF, as broker/dealer, pays RJA for various execution and clearing services in connection with RJA, maintaining custody and effecting the purchase and sale of securities for our clients ("Custody Fee"). RJA imposes its Custody Fee based on assets. The Custody Fee decreases based on certain asset thresholds. Under this arrangement, LFF and its affiliates have a financial incentive to retain assets with RJA to minimize costs.

It should be noted that clients participating in the ICA wrap program, are required to utilize RJA as custodian with affiliated firm LFF acting as introducing broker-dealer. As noted, LFF does not receive revenue sharing from RJA for interest earned on margin debit balances, securities-based lending loan balances or interest on credit and cash sweep balances for advisory accounts participating in the ICA wrap program.

The firm also receives certain other economic benefits from RJA. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of LFASs fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of LFAS's accounts. RJA may also make available to LFAS other services intended to help LFAS manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, and marketing. In addition, RJA may make available, arrange and/or pay for these types of services to be rendered to LFAS by independent third parties. RJA may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to LFAS, and/or RJA may pay for travel expenses relating to participation in such training.

Transition Assistance

RJA provides various benefits to the firm to assist the firm with the costs of associating or transitioning representatives to the RJA platform (referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding representatives' business, technology set-up fees, and staffing support associated with moving accounts. The amount of Transition Assistance is based upon at least in part, assets under custody on the RJA platform. The firm's advisory representatives do not receive any part of this additional compensation. The Firm is required to pay back a portion of such transition assistance in the event the firm's assets at RJA fall below a certain threshold or in the event the Firm terminates its relationship with RJA. The receipt of this transition assistance along with the consequences of triggering events which would require a return of a portion of such assistance back to RJA as well as RJA's custodial relationship with affiliated broker-dealer LFF, creates a financial incentive for the firm to recommend Raymond James programs or products and to continue its relationship with RJA. LFAS attempts to mitigate these conflicts of interest by evaluating and recommending that clients use RJA's platform and services based on the benefits that such services and platform rather than the Transition Assistance that is received by the firm. LFAS considers RJA's expense, fee structure and the overall services provided when recommending or requiring that clients maintain accounts with RJA. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in an account at RJA.

Clients should also be aware that for accounts where Raymond James serves as the custodian, LFCM is limited to offering services and investment vehicles that are approved by LFF/Raymond James, and may be prohibited from offering services

and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LFF/Raymond James.

Schwab Advisor Services™ and Fidelity Brokerage Services, LLC clearing relationships

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms as does Fidelity Brokerage Services, LLC. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab and/or Fidelity retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab and/or Fidelity without going through us.

Schwab and Fidelity also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's and Fidelity support services:

Services that benefit you. Schwab's and Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and/or Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services that do not directly benefit you. Schwab and/or Fidelity also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's and/or Fidelity's own as well as that of third parties. We use this research to service clients' accounts, including accounts not maintained at Schwab and/or Fidelity. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocation aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back office functions, recordkeeping and client reporting

Services that generally only benefit us. Schwab and Fidelity both also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Education conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab and Fidelity provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab and Fidelity also discount or waive fees for some of these services or pays all or a part of a third party's fees. Schwab and Fidelity also provide us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab and/or Fidelity, we would be required to pay for these services from our own resources.

The availability of these services from Schwab and Fidelity benefits us because we do not have produce or purchase them. We don't have to pay for Schwab's and Fidelity's services. These services are not contingent upon us committing any specific amount of business to Schwab and Fidelity in trading commissions or assets in custody. The fact that we receive these benefits from Schwab and Fidelity is an incentive for us to recommend the use of Schwab and/or Fidelity rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, when Schwab and/or Fidelity is recommended as a custodian for a particular client/account(s), it is only when it is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's and/or Fidelity's services (see "How we select brokers/ custodians") and not Schwab's and/or Fidelity's services that benefit only us.

In the event clients are qualified and eligible to participate in the private fund products, LFF referring advisors will generally require that clients establish an account with LFF custodied through Schwab.

Trade Away Services

Through its relationships with, Fidelity, Schwab, and Raymond James, LFCM may also use the respective broker/dealers' Trade Away Service which allows LFCM to place trades with other broker/dealers. Trade Away Services allow LFCM to elect to execute trades through other broker/dealers in order to obtain a better price for the client and then have the securities delivered into/from the client's, Fidelity, Schwab or LFF (custodied through RJA) brokerage account.

The use of the Trade Away Service provides LFCM greater flexibility to access more fixed income products, ability to implement trades with companies that may make a market in a security, the ability to access Initial Public Offerings (IPO's), the ability to access new issue bonds, and the ability to find a wider range or pricing on equity positions. The Trade Away Service is beneficial because it allows LFCM to place trades through several executing broker/dealers, yet receive centralized custody, clearing and settlement, recordkeeping and other services from one source, Fidelity, Schwab and Raymond James. LFCM's decision to use an executing broker/dealer will depend on the executing broker's respective expertise and costs. All assets will be kept in the client's, RJA, Schwab, and Fidelity account, with all confirmations and statements generated by RJA, Schwab and Fidelity.

LFCM utilizes the services of a trade and/or settlement aggregator (an "Aggregator") when placing block orders that include step-out and step-in trades. LFCM believes that the use of an Aggregator can address issues associated with market fragmentation, including without limitation, additional clearing/settlement costs associated with the executions through multiple trading venues, but enabling LFCM to access multiple points of liquidity while minimizing clearing/settlement costs. The cost of the aggregation services is included in the commission rates or net prices associated with the underlying trades. For custodians utilizing a commission rate, the cost of the aggregation service will

be reflected separately within the commission section of a trade confirmation. For custodians utilizing pricing, the client's net price will include the cost of the aggregation service.

The use of Trade Away Services is the only case in which LFCM selects a broker-dealer to be used without specific client consent. RJA, Schwab, and Fidelity charge the client a service fee per order entered at an executing broker/dealer by LFCM. The Trade Away Service Fee will be charged to the client's account.

Broker-Dealer Selection Process

LFCM recommends broker/dealers and custodians that it feels provide services in a manner and at a cost that will allow us to meet our duty of best execution.

Clients often grant LFCM the authority to select the broker-dealer to be used for the purchase and sale of securities.

When evaluating best execution, we will consider the following factors in broker selection:

- Financial stability
- Reputation
- Quality of research available
- Type and size of both securities traded and markets traded on
- Liquidity
- History of execution speed and price improvement
- Competitiveness of commission rates compared to other brokers
- As noted, clients participating in the ICA wrap program are required to use LFF as broker dealer, with RJA serving as custodian. Clients participating in any of the RJ managed programs are required to use Raymond James as well. Clients participating in the Schwab Managed Marketplace program must be custodied at Schwab. Clients participating in the Participant Asset Management wrap program must be custodied at Fidelity.

Research and Other Soft Dollar Benefits

LFCM's primary objective in broker-dealer selection is to comply with its duty to obtain the best execution for clients. Best execution does not necessarily mean the lowest commission, but instead involves consideration of many factors, listed above.

A statutory "safe harbor" allows broker-dealers to be paid with commission dollars, also referred to as soft dollars, in exchange for statistical research and information. Soft dollar transactions generally cause clients to pay a commission rate higher than would be charged for execution of the trade only.

At times, LFCM may select a broker-dealer that charges a commission in excess of that which another broker-dealer may have charged for executing the same transaction. LFCM is not obligated to simply choose the broker-dealer with the lowest commission rate if, within reasonable judgment, we believe the total cost or proceeds may be less favorable for the client than what may be obtained by a broker-dealer offering soft dollar services.

Research related products and services provided by the broker-dealer may include both proprietary and third-party research covering analysis and pricing, trading markets, legislative developments, economic and financial trends, and research or analytical computer software utilized in the investment management process.

LFCM is able to obtain such products and services through the use of Soft Dollars which reduces the need for LFCM to produce the same research through hard dollars. Thus, the use of soft dollars can provide economic benefits to LFCM and its clients.

Research products and services may be useful in servicing some or all of the Advisor and its affiliates' client accounts but may not be used by the Advisor in servicing the actual client accounts whose commission dollars generated and provided such research. Due to custodian restrictions, not all clients will be part of the soft dollar arrangement or pay for these services.

LFCM periodically reviews performance of broker-dealers and the items previously discussed to other broker-dealers to ensure that we are providing clients with the best execution available for those services.

Aggregation of Client Orders-Block Trading Policy

Depending upon who has investment discretion, the firm, the Manager or your financial advisor may execute aggregate trades for more than one client's account ("block trades") and execute as a single trade in order to provide fair and equitable prices among managed client accounts. If affiliated asset management firm LFCM is utilized for sub-advisory services, trades will be aggregated by LFCM. All clients will receive equal treatment when LFCM and LFAS Advisory Representatives perform block trades for managed accounts. Securities purchased or sold using block trades will then be allocated in a fair and equitable manner to all client accounts involved in the block trade. If for any reason the entire block trade cannot be completed on the day the trade is placed, client accounts will receive an equal pro-rata portion of the securities traded. If a block transaction is effected, you will receive the average price of all transactions effected to fill the order. As a result, the average price received by any individual client may be higher or lower than the price that an individual client may have received had the transaction been effected for the client independently from the block transaction. LFAS/LFCM will keep records of all block trades executed and the allocations for each client account that participates in the block trade. LFCM and LFAS Advisory Representatives will not receive additional compensation as a result of block trading.

Trade Errors

Based on industry practice and SEC guidance to broker-dealers, a trade error under this policy is defined as including:

Inaccurate transmission or execution of any term of an order including, but not limited to: price; number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

Unauthorized (because of misunderstanding or mistake) or unintended purchase, sale or allocation of securities, or the failure to follow specific client instructions; and

Incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals or securities positions reflected in an account.

LFCM has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of LFCM to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by LFCM if the error was caused by the Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. LFCM will never benefit or profit from trade errors. Gains from trade errors, whether caused by the client or Firm are generally retained by the custodian.

Item 13 – Review of Accounts

The underlying securities within each Model Portfolio are continuously monitored by the LFCM investment Committee and/or the Portfolio Manager assigned each Model Portfolio. Sub-advisory clients should contact their referring adviser for information on account reviews conducted by such referring adviser. Further, LFCM formally reviews registered fund client(s) any time there is a material change to each relevant prospectus or statement of additional information.

Statements and Reports

Clients receive account statements directly from the client's qualified custodian. Statements will be delivered at least quarterly.

Finally, at their discretion LFCM may provide written performance and/or position reports to clients in addition to the statements and reports discussed above. Clients are strongly urged to compare all reports prepared by LFCM against the account statements received from the client's broker/dealer or qualified custodian.

Item 14 – Client Referrals and Other Compensation

The firm's affiliates receive transition assistance from RJA based upon assets custodied or to be custodied at RJA. The firm's advisory representatives do not receive any part of this additional compensation. RJA also serves as custodian for the Firm's affiliated broker dealer, LFF. The Firm is required to pay back a portion of such transition assistance in the event the firm's assets at RJA fall below a certain threshold or in the event the Firm terminates its relationship with RJA. The receipt of this transition assistance along with the consequences of triggering events which would require a return of a portion of such assistance back to RJA as well as RJA's custodial relationship with affiliated broker-dealer LFF, creates a financial incentive for the firm to recommend Raymond James programs or products and to continue its relationship with RJA. The Firm attempts to mitigate these conflicts of interest by evaluating and recommending that clients use RJA's services based on the benefits that such services provide to our clients, rather than any related associations with affiliated firms or transition assistance that the firm may receive. LFF considers RJA's expense, fee structure, and the overall services provided when recommending or requiring that clients maintain accounts with RJA. However, clients should be aware of

this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at RJA.

The firm also receives an economic benefit from Schwab and Fidelity in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab and Fidelity. You do not pay more for assets maintained at Schwab or Fidelity as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Additionally, the firm may receive cash or non-cash sponsorship assistance from custodial or product partners for the firm's annual conference/educational meeting. This does not cause clients to pay additional transaction fees beyond those charged by the Firm and does not diminish our duty to act in client's best interests, including best execution of trades.

In order to facilitate the recruitment of advisory representatives and the acquisition of other registered investment advisory firms, from time to time the firm's affiliates offer recruited advisory representatives transition assistance loans. Such loans are generally in the form of a forgivable promissory note which is forgiven over a term period of five (5) years. These loans represent an additional economic benefit to the recruited advisory representatives to whom they are issued. The receipt of these loans presents a conflict of interest because recruited or acquired advisory representatives are incentivized to recommend that clients move their asset to and continue to utilize the services of the firm rather than basing such recommendations solely on a client's particular needs or best interest. The loans incentivize the firm and its affiliated entities to recommend that existing clients begin or continue to utilize the services of the firm and its related entities. Persons who are registered advisory representatives with LFAS and who are also registered with LFF, along with their clients, may choose to solely use RJA as custodian. These conflicts are mitigated by disclosing them to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, risk tolerance, financial circumstances and other characteristics.

Your referring adviser can receive compensation on non-advisory business (i.e. brokerage commissions) related to the sale of securities or other investment products such as insurance. Transaction-based compensation that such referring advisers may receive in their dual capacity as a registered representative of LFF is separate and distinct from the other fees, LFCM will receive in connection with investment advisory/investment management services.

From time to time, LFCM receive from affiliated or unaffiliated parties, client referrals in exchange for compensation to that third-party ("referral arrangement"). Any referral arrangement entered into by LFCM for the solicitation of advisory clients by a third-party that constitutes a "testimonial" or "endorsement" are in accordance with Rule 206(4)-1 under the Advisers Act. Compensation to the solicitor or promoter is dependent on the client engaging LFCM for sub-advisory services. Compensation to the solicitor/promoter will be an agreed upon percentage of LFCM's sub-advisory fee or a flat fee. The Solicitor is not permitted to offer clients any investment advice on behalf of LFCM and advisory fees charged to end clients will not increase as a result of compensation being shared with the solicitor. The details of the referral arrangement and a description of the compensation paid to the solicitor will be disclosed to each referred client through a written disclosure.

The receipt of any such compensation creates a financial incentive for your referring adviser to recommend LFF as broker dealer with RJA as custodian for the assets in your advisory account. It is our objective and responsibility as a fiduciary to always place the clients' best interest first. We encourage you to discuss any such conflicts of interest with your referring adviser before making a decision to custody your assets at Raymond James.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

LFCM is deemed to have custody of client funds and securities whenever LFCM is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody LFCM will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

LFCM has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. **Clients should carefully review those statements and are urged to compare the statements against reports received directly from LFCM.** When clients have questions about their account statements, they should contact LFCM or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

LFCM's Client Agreements and Sub-Advisory Agreements provide that LFCM's asset management services are provided on a **discretionary** basis. LFCM's discretionary authority must be granted by the client in the client agreement or in the case of a Fund, in the Fund's governing and investment management documents. When discretionary authority is granted, it is limited in that LFCM will only be given discretionary trading authority. This authority will allow LFCM to determine the type of securities and the number of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

Clients have the right to place reasonable restrictions on their accounts so long as the limitations are specifically directed to LFCM; however, LFCM retains the right to decline to enter into an Agreement with any clients whose investments may be contrary to the firm's investment strategies.

Please refer to Item 12 for more information regarding Trade Away Services.

Item 17 – Voting Client Securities

LFCM will generally only vote proxies for accounts that are invested in a Fund to which LFCM provides sub advisory services. If we have voting responsibility for your account under this scenario, we have policies and procedures in place

which we follow when doing so. LFCM has engaged the services of an independent third-party vendor as LFCM's proxy voting agent to implement its proxy voting process.

Records of the votes made are kept for six years. If you decide that you would like to have your proxy vote(s) cast differently from how we would typically vote based upon our proxy policies, you can request in writing that we place your vote or notes manually for a specific security or securities. In these cases, we will attempt to vote according to your instructions. However, due to the time sensitive nature of proxy voting and the fact that proxy delivery instructions typically need to be in place several weeks before the actual vote, we might not be able to remove your account from the third party's electronic voting systems in time to place your votes on a pending proposal.

In certain instances, we may determine that refraining from voting a proxy is in the client's best interest, such as when the cost to the client of voting outweighs the expected benefit to the client. We address potential conflicts of interest when voting proxies for a client account by having predetermined voting policies in place. Should a conflict of interest arise, we will resolve the conflict using one of the following: (1) voting pursuant to client direction; (2) voting according to the recommendation of the proxy voting service; (3) abstaining from voting; or in such other manner consistent with our duty of loyalty and care, depending upon the facts and circumstances of each situation and the requirements of applicable law.

If you would like a copy of our proxy voting policies and procedures or would like to know how your proxies were voted (up to a one-year period), please submit a written request to the LFCM Chief Compliance Officer.

In all other instances, LFCM will not vote proxies on behalf of your account. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm (other than clients holding positions in an ETF sub-advised by LFCM).

Clients for whom LFCM does not vote proxies will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. In some instances, and at your specific request, your referring adviser may give recommendations or clarifications based on your referring adviser's understanding of the issues presented in the proxy materials. Your referring adviser may also conduct additional research on proxy issues if necessary; however, you will be solely responsible for all proxy voting decisions.

Item 18 – Financial Information

This item is not applicable to this brochure. LFCM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, LFCM is not required to include a balance sheet for our most recent fiscal year. LFCM is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, LFCM has not been the subject of a bankruptcy petition at any time.

CUSTOMER PRIVACY POLICY

| FACTS | WHAT DOES LEVEL FOUR DO WITH YOUR PERSONAL INFORMATION? |
|--------------|---|
| Why? | <p>The Firm(s) collects and develop personal information about clients and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the appropriate financial products and services clients obtain from the Firm(s). The Firm(s) may share client information with one or more of our affiliated companies (<i>companies related by common ownership or control</i>).</p> <p>The affiliated companies of Level Four include Level Four Group LLC (LFG), Level Four Financial, LLC (LFF), Level Four Advisory Services, LLC (LFAS), Level Four Capital Management, LLC, (LFCM) and Level Four Insurance Services (LFIS) collectively (“the Firm(s)”). The Firm(s) may also have relationships with other non-affiliated (<i>companies not related by common ownership or control</i>) entities, including, insurance companies, trust companies, custodians and other financial institution entities.</p> |
| What? | <p>The categories of Customer Information collected by the Firm(s) depend upon the scope of the engagement with the individual affiliate entity and are generally described below. As investment advisers, LFAS and LFCM collect and develops Customer Information about clients in order to provide investment advisory services. As a broker dealer, LFF collects Customer Information about clients in order to provide brokerage services. Customer Information collected includes:</p> <ul style="list-style-type: none">▪ Information received from clients on financial inventories and questionnaires through consultation with referring Advisory and Brokerage Representatives. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning clients’ financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.▪ Information needed to open an account including social security numbers, investment experience, assets, income, account balances.▪ Information developed as part of financial plans, analyses or investment advisory services.▪ Information concerning investment advisory account transactions, such as wrap account transactions.▪ Information about clients’ financial products and services transactions with LFAS, LFCM and LFF.▪ When you are no longer our customer, we continue to share your information as described in this notice. |
| How? | <p>All financial companies need to share customer’s personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer’s personal information; the reasons Level Four chooses to share; and whether you can limit this sharing.</p> |

| Reasons we can share your personal information | Does Level Four share? | Can you limit this sharing? |
|--|------------------------|-----------------------------|
| For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes | No |
| For our compliance with rules and regulations— information about your transactions and communications provided to non-affiliated brokerage or investment advisory firms when required to comply with supervisory rules and regulations. | Yes | No |
| For our marketing purposes— to offer our products and services to you | Yes | No |
| For joint marketing with other financial companies | Yes | No |
| For our affiliates' everyday business purposes— information about your transactions and experiences | Yes | No |
| For our affiliates' everyday business purposes— information about your creditworthiness | No | We don't share |
| For our affiliates to market to you | No | We don't share |
| For nonaffiliates to market to you | No | We don't share |

| Who we are | |
|--|--|
| Who is providing this notice? | Level Four Financial, LLC, Level Four Advisory Services, LLC and Level Four Capital Management, LLC |
| What we do | |
| How we share information with third parties | <p>To administer, manage and service customer accounts, process transactions and provide related services for client accounts, it is necessary for Level Four to provide access to Customer Information within the Firm and its affiliated companies and to non-affiliated companies, other investment advisers, other broker-dealers, trust companies, custodians and insurance companies. The Firm(s) may also provide Customer Information outside of the Firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.</p> <p>LFAS and LFCM may also share information with Level Four Financial Services, LLC (LFF) which has supervisory obligations over certain of LFAS' and LFCM's activities. As a result of the relationship, LFF will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about LFAS' clients, even if client does not establish any account through LFF.</p> <p>Level Four does not share Customer Information with affiliates or non-affiliated third parties for marketing purposes.</p> |
| How does Level Four protect my information? | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. |

| | |
|---|--|
| <p>How does Level Four collect my personal information?</p> | <p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ▪ Open an account or perform transactions ▪ Make a wire transfer or tell us where to send money ▪ Tell us about your investment or retirement portfolio <p>We also collect personal information from others such as credit bureaus, affiliates and other companies</p> |
| <p>Why can't I limit all sharing?</p> | <p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ▪ Sharing for affiliates' everyday business purposes- information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p> |
| <p>How do I limit sharing?</p> | <p>If you choose to opt out now; at any time in the future; or wish to withdraw your opt out request, contact us at 866-834-1040. If it is your choice to opt out there will be a 30-day period before your opt out will take effect.</p> <p>Please note: If you are a new customer, we can begin sharing your information from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p> |
| <p>What happens when I limit sharing for an account, I hold jointly with someone else?</p> | <p>If Level Four provides services to a joint account, the Firm(s) will treat the opt-out request by a joint account owner as applying to all owners on the account(s) managed or serviced by any Level Four entity.</p> |

| <h2 style="margin: 0;">Definitions</h2> | |
|---|--|
| <p>Affiliates</p> | <p>Companies related by common ownership, control, or directly involved in execution and settlement of client transactions. They can be financial and non-financial companies.</p> <p>The affiliated companies of Level Four include Level Four Group LLC (LFG), Level Four Financial, LLC (LFF), Level Four Advisory Services, LLC (LFAS), Level Four Capital Management, LLC, (LFCM) and Level Four Insurance Services (LFIS).</p> |
| <p>Nonaffiliates</p> | <p>Companies not related by common ownership, control, or directly involved in execution and settlement of client transactions. They can be financial and non-financial companies.</p> <p>The Firm(s) may also have relationships with other non-affiliated entities, including, insurance companies, trust companies, custodians and other financial institution entities.</p> <p>Additionally, our primary clearing firm, Raymond James & Associates, is directly involved in execution and settlement of client transactions. Level Four also has execution and custody relationships with Schwab and Fidelity.</p> |

| | |
|------------------------|---|
| Joint Marketing | <p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>Our joint marketing partners may include banks and credit unions</p> |
|------------------------|---|

Other important information

Level Four understands that the relationship clients have with their Advisory Representative and/or Registered Representatives (“Representative”) is important. If a client’s Representative ends his or her affiliation with Level Four and he or she chooses to move to a different Firm, or if an Representative’s relationship with Level Four is terminated, the Representative may be allowed to take with him or her copies of all client and account documentation (including but not limited to: account applications; customer statements; and other pertinent forms related to the advisory services provided to the client by Level Four), so the Representative is able to continue the relationship with his or her client and continue providing services through his or her new firm. Level Four will also retain copies of its client and account documentation. Clients do not need to take action if it is their choice to allow their Representative to keep copies of their confidential information should he or she leave Level Four. **If you do not want your Advisory Representative to keep copies of your confidential information, should he or she decide to end the relationship with Level Four in the future, you have the right to opt out.**

Vermont: In accordance with Vermont law, we will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at levelfourfinancial.com, levelfouradvisors.com and/or levelfourcapital.com or call 866-834-1040.

California: In accordance with California law, we will not share information we collect about you with companies outside of Level Four Financial, unless the law allows. For example, we may share information with your consent, to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing among our companies to the extent required by California law. For additional information regarding your rights, please refer to the privacy notice (ccpa) for California residents at levelfourfinancial.com, levelfouradvisors.com and/or levelfourcapital.com.

Nevada: In accordance with Nevada law, if you would like to be placed on our Internal Do Not Call List, please call **866-834-1040**. For more information, you may contact Level Four Financial Services, 11 North Water Street, Ste 21290, Mobile, AL 36602, or the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101. Phone number: 1-702-486-3132; email: BCPINFO@ag.state.nv.us.

For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA only. The term “Information” in this section means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may provide your Information to insurance support companies that may retain it or send it to others as needed to service your account. We may share your medical Information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you provide authorization. **To see your Information, write to Level Four Advisory Services, LLC at 12400 Coit Road, Suite 700, Dallas TX 75251.** You must state your full name, address, the insurance company, policy number (if relevant), and the Information you are requesting. We will inform you of what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail a copy to you for a fee. If you think any Information is incorrect, you may submit a written request to have the Information corrected. We will notify you of what actions are taken. If you do not agree with our actions, you may send us a statement.

BUSINESS CONTINUITY PLAN DISCLOSURE

LFCM has developed a comprehensive business continuity plan that covers LFCM's operations. The plan is designed to ensure that LFCM is prepared to continue providing service to clients in the event a significant disruption of any kind occurs to LFCM's business operations. The plan addresses business disruptions of varying severity and scope. It provides for testing at least annually and in response to any material changes affecting LFCM's business. Although it is impossible to anticipate every scenario, the plan is reasonably designed to enable LFCM to resume doing business upon the occurrence of those events that are most likely to affect LFCM.

What follows is a description of how LFCM will respond to the following four types of disruptions: (1) A firm-only disruption, (2) a disruption that affects a single building, (3) a disruption that affects the entire city or business district, and (4) a disruption that affects the entire North Texas region. LFCM has also included information about how long it expects to take to recover from these disruptions.

Firm-Only Disruptions

To respond to a disruption that affects only LFCM, such as a computer virus, LFCM has on-site persons to successfully guide LFCM through disruptions that may affect operations, the use of crisis communications systems and procedures that address life, health, and safety issues; damage assessment; damage mitigation; personnel mobilization and mission-critical systems. If this type of disruption takes place, LFCM intends to restore all critical services within one day after the disruption occurs. However, in light of the various types of disruptions of this nature that could take place, it may take longer to resume operations in one or more services during any particular disruption.

Disruptions that Affect a Single Building

In the event of a disruption that affects LFCM's office, such as a fire in the building, the plan calls for a response involving multiple locations. LFCM will resume critical services by moving key personnel to an alternate location, to the extent necessary. In addition to relocating key personnel to back-up facilities, LFCM will, if necessary, transfer responsibility for certain operations and support services to an offsite location. LFCM intends to resume operations in all critical service areas within one day after a disruption of this nature occurs. It may, however, take as long as two or three days to continue doing business in one or more critical service areas depending on the availability of data.

Disruptions that Affect the Entire City or Business District

If a disruption significant enough to affect the entire city or business district, such as an Act of God or a terrorist attack that cuts off access to LFCM's office, under the plan, LFCM will resume critical services at a back-up location. As above, certain key employees will work remotely, and certain operations and support services would be handled at alternate locations. LFCM intends to resume operations in all of its critical service areas within one day after a disruption of this nature occurs. It may, however, take up to three or four days to recover depending on the availability of data and on the availability of key employees.

Disruptions that Affect the Entire North Texas Region

In the event of a disruption that affects the entire North Texas Region, such as a regional power outage, LFCM will resume critical service areas from back-up locations. Although LFCM intends to resume operations within one day after the disruption occurs, one or more critical service areas may not be able to resume operations until the disruption is over.

In all of the situations described above, LFCM expects to continue doing business and expects to resume operations within the specified time frames. However, in the event that a business disruption results in a significant loss of life at LFCM's office or otherwise results in key employees being unavailable or unable to report to their designated location, the recovery times described above may be significantly increased. Furthermore, although LFCM expects to continue operating regardless of the type of disruption, it is impossible to anticipate every scenario. It is, therefore, possible that a significant business disruption could occur and as a result, LFCM may be unable to continue doing business. In those situations, the plan provides procedures to help ensure that the customers have prompt access to their funds and securities.

LFCM will continue to devote substantial resources to the enhancement of its business continuity plan and procedures.