Item 1 Cover Page

Verdence Capital Advisors, LLC

ADV Part 2A, Appendix 1
Wrap Fee Program Brochure

Dated: March 30, 2023

Chief Compliance Officer: Kevin Michael Cuff
50 Schilling Road, Suite 300
Hunt Valley, Maryland 21031
https://verdence.com/

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Verdence Capital Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (410) 472-5384. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Verdence Capital Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Verdence Capital Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since the last annual updating amendment to this Brochure initiated by Verdence Capital Advisors (the "Registrant", "we", "us", "our") on March 31, 2022, we report the following material changes to our business:

- Effective March 27, 2023, the Registrant has relocated its principal office to:
  50 Schilling Road, Suite 300
  Hunt Valley, MD 21031

- Our phone numbers and email addresses remain unchanged

We have enhanced discussion of risks and made certain routine changes throughout the Brochure to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and firm practices. We believe that these changes are not material and therefore do not describe them in this Item 2.

Upon request, we will provide clients ("you", "your") with a comparison of this Brochure against the one previously filed indicating these changes. We will provide you with a new Brochure as necessary based on regulatory requirements, in the event of material changes or new information, without charge. Should you require a copy of our most current Brochure at any time, please contact us at (410) 472-5384. Please read this Form ADV Part 2A in its entirety. Additional information about the Registrant is available on the IAPD website at www.adviserinfo.sec.gov, by searching for our CRD #288512.

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Services, Fees and Compensation	4
Item 5	Account Requirements and Types of Clients	7
Item 6	Portfolio Manager Selection and Evaluation	7
Item 7	Client Information Provided to Portfolio Managers	14
Item 8	Client Contact with Portfolio Managers	14
Item 9	Additional Information	14
Table 1	Risks Associated with Investments	17

Item 4 Services, Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a wrap or non-wrap *fee* basis. (***See*** discussion below). If a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (*i.e.* investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody).

VERDENCE WRAP PROGRAM

Important Note: The Registrant is no longer accepting new clients in the Wrap Fee Program.

The Registrant provides discretionary investment management services on a wrap fee basis in accordance with the Registrant's investment management wrap fee program (the "Program"). Under the Program, the Registrant provides participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, account maintenance, investment management fees, and in some instances, fees charged by independent managers and/or separately managed accounts. However, clients are responsible for amounts including, but not limited to, trustee fees, mutual fund expenses, ETF expenses, fees for trades executed away from custodian, mark-ups, mark-downs, transfer taxes, fees charged by certain independent managers and/or separately managed accounts (when such managers require the client to enter into a dual contract relationship) odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. (Such fees are in addition to any fees paid by the client to the Registrant and are between the client and the account custodian.)

The current annual Program fee ranges from negotiable up to 1.50%, based upon various objective and subjective factors. As a result, Registrant's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. As a result of these factors, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

The terms and conditions for client participation in the Program are set forth in detail in this Wrap Fee Program Brochure. All Program participants should read both the Brochure and the Wrap Fee Program Brochure and ask any corresponding questions they have about their participation in the Program.

Please Note: Participation in the Program will in certain situations cost more or less than purchasing such services separately. When managing a client's account on a wrap fee basis, the Registrant shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account Transaction Based Fees or Asset Based

Fees) incorporated into the wrap fee have been deducted. The Program fee charged by the Registrant for participation in the Program will in certain situations be higher or lower than those charged by other sponsors of comparable wrap fee programs. Please note: Clients who engage the Registrant on a wrap fee basis will not incur brokerage commissions (for trades executed at custodian) and/or transaction or asset based custodial fees in addition to the Program fee.

Under the Program, the Registrant is provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this authority shall be included in the written agreement between each client and the Registrant. Clients are permitted to change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant's investment professionals to discuss their account.

Charles Schwab &Co. Inc. ("Schwab") and/or Fidelity Investments (*"Fidelity"*) serve as the custodian for Program accounts.

Wrap Program Trading Costs: Asset-Based Fees versus Transaction-Based Fees: Custodians such as Schwab and/or Fidelity are compensated for their services which include, but are not limited to, execution, custody, and reporting. Schwab and Fidelity can charge a fixed percentage fee for their services based upon the dollar amount of the assets placed in their custody and/or on their platform. This is referred to as an "Asset-Based Fee." In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, Schwab and Fidelity could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee." Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account.

Because Registrant cannot predict the markets and the amount of trading that will occur in a client account, Registrant generally favors Asset-Based pricing because it will fix the amount of the fee paid from the account for trade execution, regardless of the number of transactions that are placed for the account. However, Registrant, on an annual basis, will conduct a sampling to confirm its belief (given the inability to predict the markets and the corresponding amount of trading that will occur) that Asset-Based pricing continues to be beneficial for its clients. Prior to engaging Schwab and/or Fidelity regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with Schwab and/or Fidelity agreeing to such pricing/fees.

Registrant's Chief Compliance Officer, Kevin Michael Cuff, remains available to address any questions that a client or prospective client has regarding Asset-Based versus Transaction-Based pricing.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the "Act").

Fee Payment: Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter, including cash balances. Clients authorize the Registrant to directly debit its advisory fee by executing an *Investment Management Agreement*. The Registrant shall send to the client's Custodian written notice of the amount of the Registrant's advisory fee to be deducted, on a quarterly basis, from the client's account.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Please Note: Investment Performance: As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by the Registrant) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

Client Responsibilities: In performing any of its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Furthermore, unless the client indicates to the contrary, the Registrant shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective. Moreover, it remains each client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Registrant's previous recommendations and/or services.

B. Participation in the Program will in certain situations cost more or less than purchasing such services separately. Also, the Program fee charged by the Registrant for participation in the Program will in certain situations be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee in some cases will exceed the aggregate cost of such services if they were to be provided separately.

C. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by certain independent managers and/or separately managed accounts (when such managers require the client to enter into a dual contract relationship), transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Schwab or Fidelity, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

D. The Registrant's related persons responsible for managing client relationships receive a portion of the wrap fee collected by the Registrant.

Item 5 Account Requirements and Types of Clients

The Registrant's clients generally include individuals, business entities, pension and profit-sharing plans, trusts, estates, and charitable organizations. The Registrant does not generally require an account minimum for investment advisory services. The Registrant, in its sole discretion, does in certain situations charge a lesser investment management fee based upon certain criteria (*i.e.* anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The Registrant's wrap fee clients generally include individuals, business entities, pension and profit-sharing plans, trusts, estates, and charitable organizations.

Item 6 Portfolio Manager Selection and Evaluation

A. The Registrant generally recommends that clients authorize the active discretionary management of all or a portion of their assets by and/or among certain independent investment manager(s) and/or separately managed accounts ("Independent Manager(s)"). To the extent applicable, the Registrant shall recommend/select Independent Managers consistent with the client's investment objectives. Factors which the Registrant shall consider in recommending/selecting Independent Managers include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

   The specific terms and conditions under which the client engages an Independent Manager are often set forth in a separate contract between the client and the Independent Manager (dual contract relationship). Also, when required, the client receives a copy of the Independent Manager's disclosure Brochure. As noted above, when an Independent Manager requires the client to enter into a dual contract relationship, the Independent Manager's fee is separate from and in addition to the Program fee charged by the Registrant.

   However, the Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and reviewing of account performance, for which the Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager.

   The Registrant does not calculate or guarantee the accuracy of Independent Manager performance information. Performance information provided by Independent Managers may not be calculated on a uniform or consistent basis. Data is gathered on Independent Managers from their performance publications and independent sources deemed reliable and accurate. The performance presented in client reports provided by the Registrant may be different from published data presented by the Independent Managers.

B. The Registrant acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a conflict of interest arises in that the Registrant has a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program is in some cases more than what the Registrant would receive if the client paid separately for investment advice, brokerage, and other services.

C.

<u>**OTHER ADVISORY SERVICES**</u>

As discussed below, the Registrant also offers to its clients, discretionary investment advisory services on a non-wrap fee basis, and, <u>to the extent specifically requested by a client</u>, financial planning, and related consulting services.

NON-WRAP FEE BASIS

If the client determines to engage the Registrant on a non-wrap *fee* basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody). The Registrant's non-wrap investment advisory services are provided on a discretionary basis. The Registrant's annual fee for advisory services on a non-wrap fee basis is based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally from negotiable up to 1.00%.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

The Registrant provides financial planning and consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from $15,000 up to $25,000 on a fixed fee basis, and from $250-$500 on an hourly rate basis, depending upon the level, complexity, and scope of the service(s) required and the professional(s) rendering the service(s).

VERDENCE/FAMILY

Verdence/FAMILY is a team of professionals within Verdence Capital Advisors offering family office services, which are broader in scope than traditional investment management and financial planning engagements. Family office clients typically require additional services that may or may not be directly related to their investable assets. These services include, but are not limited to, investment management, financial planning, estate planning, tax planning, insurance reviews, administrative support, bookkeeping, and other concierge services.

As part of its family office services, the Registrant will provide bill payment, reconciliation, and related bookkeeping services for certain clients. The Registrant has developed reasonable policies and procedures to address identity theft and custody issues.

The Registrant typically manages assets for family office clients and therefore does not charge separately for the family office services disclosed above. The full scope of client service needs is considered during the fee negotiation process.

VERDENCE/PRO

Verdence/PRO is a team of Sports and Entertainment specialists within Verdence Capital Advisors who advise business owners, elite athletes, and entertainment professionals on an array of complex financial matters and investing. The Verdence/PRO team works closely with clients who are pro athletes and entertainment professionals to make the most of what they have earned by serving them through education, empowerment, and unbiased advice. The Verdence/PRO team seeks to help professional athletes and entertainers manage their financial challenges and life complexities. When appropriate, the team offers investment management, financial counseling, budget and cash flow ideas, long-term financial planning, career path analysis, life skills and economic education, private investment screening, and philanthropic strategies. The Registrant's annual investment advisory fee shall include investment management, and, to the **extent specifically requested** by the client, the additional services described herein.

VERDENCE/OCIO

Verdence/OCIO offers select services directly to Registered Investment Advisors, Multi-Family Offices and Single-Family Offices ("independent advisers") by leveraging our existing platform: technology, infrastructure and thought leadership, to serve their clients and grow their businesses. Outsourced Chief Investment Office ("OCIO") services include research, asset allocation, portfolio construction, manager selection, and investment execution.

MISCELLANEOUS DISCLOSURES

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by the client, Registrant provides financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant recommends the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **Please Note**: If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant maintains cash positions for defensive purposes. All cash positions (money markets, etc.) are included as part of assets under management for purposes of calculating the Registrant's advisory fee. When the account is holding cash positions, those cash positions will be subject to the same advisory fee as set forth in Item 5 below. During periods of exceedingly low short-term interest rates, client fees paid on cash balances will exceed money market yields.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and could engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. **<u>No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Kevin Michael Cuff, remains available to address any questions that a client or prospective client has regarding the conflict of interest presented by such rollover recommendations</u>**.

<u>Use of Mutual Funds</u>. While the Registrant could recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant generally recommends that clients allocate investment assets to publicly available mutual funds that the client could obtain without engaging Registrant as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publicly available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services.

<u>Separately Managed Account Programs and Independent Managers</u>. The Registrant in certain situations allocates (and/or recommends that the client allocate) a portion of a client's investment assets among unaffiliated Separately Managed Account Programs "SMAs" and/or independent investment managers in accordance with the client's designated investment objective(s). In such situations, the SMAs or Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending an SMA or Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. <u>The investment management fee charged by the Independent Manager(s) is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5.</u>

<u>Unaffiliated Private Investment Funds</u>. Registrant provides investment advice regarding unaffiliated private investment funds. Registrant also recommends that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

<u>Please Note</u>: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). The valuation could reflect the initial purchase price (and/or a value as of a previous date) but the actual current value(s) (to the extent ascertainable) could be significantly more or less than the valuation reflected. The client's advisory fee shall be based upon reflected fund value(s).

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients are permitted to, at any time, impose restrictions, in writing, on the Registrant's services.

There is no material difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (*i.e.* investment advisory, brokerage, custody) (***See*** Item 4.A). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (*i.e.* investment advisory, brokerage, custody). **Please Note**: When managing a client's account on a wrap fee basis, the Registrant shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted.

Performance Based Fees and Side-By-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

The Registrant utilizes the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

- <u>Technical</u> – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- <u>Cyclical</u> – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- <u>Long Term Purchases</u> (securities held at least a year)
- <u>Short Term Purchases</u> (securities sold within a year)

<u>Please Note: Investment Risk</u>. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear. The Registrant's method of analysis and investment strategy does not present any significant or unusual risks.

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

The Registrant's primary investment strategies - Long Term Purchases and Short-Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, could incur higher transactional costs when compared to a longer-term investment strategy.

Currently, the Registrant primarily allocates client investment assets among various mutual funds, individual equities (stocks) and debt instruments (bonds) on a discretionary basis in accordance with the client's designated investment objective(s).

While the Registrant strives to construct portfolios that are diversified, there is no guarantee that market forces will not overwhelm diversification efforts, subjecting clients to correlation risk. Recognizing that assuming some type of risk is unavoidable, the Registrant takes a risk-based approach to minimize the probability and magnitude of losses. Such risk management steps include proper asset and sector allocation, proactive tactical shifts to exploit opportunities or avoid risks, in-depth and independent research, financial planning, client education, and regular portfolio monitoring and client reviews.

Finally, regular communication with clients plays a critical role in maintaining a prudent and successful long-term investment program. Please see Table 1 at the end of this disclosure for an important summary of the primary investment risks and the steps taken by the Registrant to minimize these risks. Please note this list is intended to highlight primary risks of investing assets with the Registrant but does not capture all such risks.

Voting Client Securities

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (however, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets**,** including, but not limited to, class action lawsuits). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request.

The Registrant shall monitor corporate actions of individual issuers consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors that Registrant will consider when determining how it will vote differ on a case-by-case basis, they could include, but are not limited to, the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. The Registrant is at times solicited to vote on matters including corporate governance, adoption, or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility.

The Registrant utilizes research from a third-party proxy voting service as a guide to vote client proxies. The service populates each ballot with vote recommendations based on the Registrant's internal proxy guidelines as well as client proxy voting directives (if any). Any additional solicitation materials filed by the issuer before the submission deadline are considered before final votes are cast. The proxy voting service uses an electronic vote management system that automatically populates each ballot with vote recommendations based on the specific proxy-voting guidelines selected by the client without prior review by the Registrant, thereby enabling the automatic submission of votes in a timely and efficient manner. The pre-population of voting recommendations on a ballot strictly adheres to each client's selected proxy voting guidelines. Under no circumstances is the proxy voting service authorized to deviate from a client's proxy voting guidelines.

The proxy voting service will not proceed with the automatic voting of pre-populated ballots if it has become aware that an issuer intends to file or has filed additional soliciting materials before the submission deadline. In such instances, the proxy voting provider will consider such information prior to voting to ensure that it is voting in clients' best interests. The proxy voting provider has policies and procedures in place to ensure that proxy-voting recommendations are based on current and accurate information from issuers.

The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer.

Sometimes securities held in the accounts of clients will be the subject of class action lawsuits. In early 2021, the Registrant engaged Chicago Clearing Corporation ("CCC") to provide a comprehensive review of our clients' possible claims to a settlement throughout the class action lawsuit process. CCC actively seeks out any open and eligible class action lawsuits. Additionally, CCC files, monitors, and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients. CCC's filing fee is contingent upon the successful completion and distribution of the settlement proceeds from a class action lawsuit. In recognition of CCC's services, CCC receives a percentage of our clients' share of the settlement distribution. This percentage has been negotiated between the Registrant and CCC and is disclosed to clients participating in the program. When the Registrant receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by clients, it will work to assist clients and Chicago Clearing Corporation in the gathering of required information and submission of claims. Clients are automatically included in this service but may opt out by contacting the Registrant's Chief Compliance Officer. If a client opts out, the Registrant and CCC will not monitor class action filings for that client.

Item 7 Client Information Provided to Portfolio Managers

The Registrant shall be the Program's portfolio manager. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients are permitted to, at any time, impose reasonable restrictions, in writing, on Registrant's services.

As indicated above, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

To the extent the Program utilizes *Independent Manager(s)*, Registrant shall provide the *Independent Manager(s)* with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the *Independent Manager(s)* within a reasonable period of time.

Item 8 Client Contact with Portfolio Managers

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

Item 9 Additional Information

A. The Registrant has not been the subject of any disciplinary actions.

Other Financial Industry Activities and Affiliations

B. **<u>Financial Institution Consulting Services.</u>** The Registrant has an agreement with certain broker-dealers to provide investment consulting services to Brokerage Customers. Broker-dealers pay compensation to the Registrant for providing investment consulting services to Brokerage Customers. This consulting arrangement does not include assuming discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in the Registrant's investment adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with the Registrant to facilitate such arrangements.

Conflict of Interest: This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from the Registrant; by the Registrant not accepting or billing for additional compensation on broker-dealers' Assets Under Management beyond the consulting fees disclosed in Item 5 in connection with the investment consulting services; and by the Registrant not engaging as, or holding itself out to the public as, a securities broker/dealer. The Registrant is not affiliated with any broker-dealer. **The Registrant's Chief Compliance Officer, Kevin Michael Cuff, remains available to address any questions that a client or prospective client has regarding the above conflicts of interest**.

C. **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and/or representatives of the Registrant buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (*i.e.*, a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (*i.e.*, personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects. Finally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's securities transactions in certain reportable securities each calendar quarter.

The Registrant and/or representatives of the Registrant buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's Access Persons.

Review of Accounts

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's investment adviser representatives, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant will conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Client Referrals and Other Compensation

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from Schwab and/or Fidelity (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services obtained by the Registrant generally include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement

The Registrant's Chief Compliance Officer, Kevin Michael Cuff, remains available to address any questions that a client or prospective client has regarding the above arrangement and any corresponding conflict of interest such arrangement creates.

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature and terms of his/her/its solicitor relationship.

Financial Information

The Registrant charges fees on a quarterly basis.

The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: **The Registrant's Chief Compliance Officer, Kevin Michael Cuff, remains available to address any questions that a client or prospective client has regarding the above disclosures and arrangements.**

Table 1 – Risks Associated with Investments

As noted in Item 6 above, please read this important summary of primary investment risks and the steps taken by the Registrant to minimize these risks. Please note this list is intended to highlight primary risks of investing assets with the Registrant but does not capture all such risks.

Risk	Disclosure Statement	Mitigation
Risk of Loss - General	Investing in securities involves risk of loss that clients should be prepared to bear.	Diversification, asset allocation, tactical changes in allocation
Investment Management Risk	The Registrant's strategies are actively managed. A strategy may not meet its investment objective and could underperform other similar strategies with comparable investment objectives managed by other advisors.	Continuous oversight of strategies, Investment Committee policy

Risk	Disclosure Statement	Mitigation
Business Risks Related to COVID-19	The global spread of the coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization in March 2020. COVID-19 and its impact on supply chains, availability of workers, and inflation, have caused volatility, severe market dislocations, and liquidity constraints in many financial markets, including markets in which the Registrant trades, and may continue to adversely affect the volatility and performance of client account holdings. Furthermore, the long-term impact of the accommodative monetary policy and government economic relief spending in the United States, aimed at countering the adverse effects of the pandemic, is unknown. However, any meaningful and sustained rise in inflation could adversely impact the value and performance of client account holdings.	Constant monitoring, rebalancing, communication, and disclosure
Analysis Risk	The Registrant's securities, asset allocation, and market analysis methods rely on the assumption that the securities we purchase and sell, the research firms that provide data and analysis on these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information, or we may come to an incorrect conclusion based on our analysis.	Multiple sources of data, frequent revisiting of data and assumptions
Market Fluctuation	Financial markets and the value of investments fluctuate substantially over time, which may lead to losses in the value of client portfolios, especially in the short run.	Investment plan suited to client objectives, liquidity needs, and time horizon
Asset Class Correlations	During times of market turmoil, correlations between asset classes may break down, which may result in higher-than-expected losses for diversified portfolios.	Constant monitoring, rebalancing, communication, and disclosure
Mutual Funds	Mutual fund investing involves risk; principal loss is possible. Investors will	Portfolio construction and diversification

Risk	Disclosure Statement	Mitigation
	pay fees and expenses, even when investment returns are flat or negative. Investors cannot influence the securities bought and sold, nor the timing of transactions which may result in undesirable tax consequences.	
Exchange-Traded Funds (ETFs) and Exchange Traded Notes (ETNs)	ETFs and ETNs are subject to risks similar to those of stocks and are not suitable for all investors. Shares can be bought and sold through a broker, and the selling shareholder may have to pay brokerage commissions in connection with the sale. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Shares are only redeemable directly from the fund. There can be no assurance that an active trading market for the shares will develop or be maintained, and shares may trade at, above or below their NAV. Additionally, ETNs and some ETFs are not structured as investment companies and thus are not regulated under the Investment Company Act of 1940. An ETN's value generally depends on the performance of the underlying index and the credit rating of the issuer. Additionally, the value of the investment will fluctuate in response to the performance of the underlying benchmark. ETFs and ETNs incur fees that are separate from those fees charged by the Registrant. Accordingly, our investments in ETFs and ETNs will result in the layering of fees and expenses.	Portfolio construction and diversification
Fixed Income	Prices of fixed income (debt) securities typically decrease in value when interest rates rise. This risk is usually greater for longer-maturity debt securities. Investments in debt with lower credit ratings (and non-rated credits) are subject to a greater risk of loss to principal and interest than those with higher credit ratings.	Vary maturities, careful selection of securities to match client risk tolerance and time horizon
Foreign Securities	Investments in foreign securities often introduce greater volatility to client	Diversification and limitations on exposure

Risk	Disclosure Statement	Mitigation
	portfolios. Additional risks include political risk, currency translation risk, and lack of transparency (accounting methods, regulatory reporting requirements, shareholder protection rules, etc.). These factors at times result in large price swings of foreign security investments, and greater risk of loss.	
Inflation Risk	Risk that increases in the prices of goods and services, and therefore the cost of living, reduce consumer purchasing power.	Security selection
Currency Risk	Currency risk is evident due to the free-floating mechanism present in global foreign exchange markets. With a few notable exceptions, the value of most global currencies freely floats against one another. U.S. companies and portfolios with non-dollar exposure directly assume foreign exchange risk.	Diversification and limit investment in international securities
Liquidity Risk	Risk evident when investors do not have full access to their funds and/or when assets cannot be converted into cash according to normal market settlement standards. Liquidity risk is generally higher for small capitalization stocks, alternative assets, and private placement securities.	Portfolio construction concentrated in mutual funds and ETFs, and longer-term time horizon
Income Risk	Risk that an investment strategy designed to generate a sufficient income, resulting in the inability to sustain a desired lifestyle and/or the need to sell other assets to generate desired income.	Portfolio construction and financial planning to avoid asset depletion
Independent Manager Selection	When client assets are invested by outside professional asset managers, the Registrant does not directly control the investment decisions of outside managers. An independent manager may stray from its stated investment strategy (known as "style drift") or make poor investment decisions which place client assets at greater risk of loss.	Ongoing monitoring and replacement of independent managers as necessary
Private Funds	For certain clients, a portion of their assets are invested in private funds, either of a real estate or private equity nature. There are a number of risks associated with private fund investing, which most notably include liquidity constraints and lack of transparency. A complete	Client qualification process, portfolio diversification, and client discretion to participate

Risk	Disclosure Statement	Mitigation
	discussion of each private fund's risks is set forth in each fund’s offering documents, which are provided to each qualified client for review and consideration at the time of investment.	
Structured Products	In the event that a structured product issuer becomes insolvent and defaults on their listed securities, investors will be considered unsecured creditors and will have no preferential claims to any assets held by the issuer. Uncollateralized structured products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Structured products have an expiry date after which the issue becomes worthless. The Exchange requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two-way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors will often not be able to buy or sell the product until a new liquidity provider has been assigned.	Careful selection of only high- quality issuers, client qualification to match risk and liquidity constraints, diversification, and percentage allocation limits
Sociopolitical Risk	Sociopolitical risk is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, and pandemics are just examples of events, whether actual or anticipated, that impact investor attitudes toward the market in general and result in systemwide fluctuations in currencies as well as prices of securities and commodities.	Understanding of client objectives, liquidity needs, and time horizon; portfolio construction, diversification, ongoing monitoring, and rebalancing
Cybersecurity Risk	As the use of technology has become more prevalent in the course of business, the Registrant has become more susceptible to operational and information security risks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to electronic systems for purposes of misappropriating assets, personally identifiable information (“PII”) or proprietary information (e.g., trading models and algorithms),	Established business continuity plans and information security risk management systems which include among other controls, access restrictions, cyber training, security incident response plan, and cybersecurity insurance

Risk	Disclosure Statement	Mitigation
	corrupting data, or causing operational disruption, for example, by compromising trading systems or accounting platforms. Other ways in which the business operations of the Registrant, other service providers, or issuers of securities in which the Registrant invests a client's assets may be impacted include interference with a client's ability to value its portfolio, the unauthorized release of PII or confidential information, and violations of applicable privacy, recordkeeping and other laws. A client and/or its account could be negatively impacted as a result. While the Registrant has established internal risk management security protocols designed to identify, protect against, detect, respond to and recover from cybersecurity incidents, there are inherent limitations in such protocols including the possibility that certain threats and vulnerabilities have not been identified or made public due to the evolving nature of cybersecurity threats. Furthermore, the Registrant cannot control the cybersecurity systems of third-party service providers or issuers. There currently is no insurance policy available to cover all of the potential risks associated with cyber incidents. Unless specifically agreed by the Registrant separately or required by law, the Registrant is not a guarantor against, or obligor for, any damages resulting from a cybersecurity-related incident.	
Risks related to Russia-Ukraine Conflict	There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the	Understanding of client objectives, liquidity needs, and time horizon; portfolio construction, diversification, ongoing monitoring, and rebalancing

Risk	Disclosure Statement	Mitigation
	operations, financial condition and performance of client portfolios and the duration and severity of those effects, is impossible to predict. The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to client portfolios. For portfolio companies, this impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy employed, all of which could adversely affect client account performance.	