



**YellowWood**  
**WEALTH SOLUTIONS**

## Form ADV Part 2A Disclosure Brochure

March 31, 2026

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This brochure provides information about the qualifications and business practices of YellowWood Wealth Solutions, LLC, a DBA under tru Independence Asset Management, LLC, a registered investment advisor with the Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. For compliance-specific requests, please call our Chief Compliance Officer at (971) 371-3450. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply any level of skill or training.

## ITEM 2 – MATERIAL CHANGES

In this Item, tru Independence Asset Management (“TIAM”), conducting business as YellowWood Wealth Solutions, LLC (hereby known as “YellowWood” or the “Firm”), is required to discuss any material changes that have been made to the brochure since the last annual amendment.

Our Brochure provides information about the qualifications and business practices of YellowWood Wealth Solutions, LLC. The business practices of YellowWood Wealth Solutions, LLC are substantially the same as represented in this Firm’s previous and current years’ annual updated Brochures.

The material changes since the previous filing of this brochure include:

- The ADV has been updated to reflect a change in Assets Under Management

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for YellowWood Wealth Solutions is #168256. We may further provide other ongoing disclosure information about material changes as necessary, and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our Brochure may be requested by contacting Stacy L. Sizemore, IACCP®, Chief Compliance Officer at (971) 371-3450 or [stacy@tru-ind.com](mailto:stacy@tru-ind.com).

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## **ITEM 4 – ADVISORY BUSINESS**

tru Independence Asset Management (“TIAM”) offers discretionary investment management and investment advisory services under the name of YellowWood Wealth Solutions, LLC (“YellowWood Wealth” or “the Firm”) with any descriptions of services, investment processes, fees, or similar items being specific to YellowWood Wealth unless otherwise noted.

Prior to the Firm rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

TIAM has been registered as an investment adviser since 2014 and is a wholly owned subsidiary of Sanctuary Wealth Group LLC (“Sanctuary Wealth”).

As of December 31, 2025, TIAM managed approximately \$336,851,857 in assets for approximately 1059 accounts in total. All assets were managed by YellowWood Wealth on a discretionary basis, and approximately \$308,155,602 in assets are under a wrap program.

While this brochure generally describes the business of the Firm, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on the Firm’s behalf and is subject to the Firm’s supervision or control.

### **Wealth Management Services**

YellowWood Wealth provides clients with wealth management services, which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

Under an investment management engagement, YellowWood Wealth primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds, exchange-traded funds (“ETFs”), and 529 plans in accordance with their stated investment objectives.

Where appropriate, YellowWood Wealth may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage the Firm to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer-sponsored retirement plans. In these situations, YellowWood Wealth directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

YellowWood Wealth tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. The Firm consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints, and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify YellowWood Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management if the Firm determines, in its sole discretion, that the conditions will not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

### **Use of Independent Managers**

As mentioned above, YellowWood Wealth may select certain Independent Managers or Sub-Advisors to actively manage a portion of its client’s assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated

Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

The Firm evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. The Firm also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

The Firm continues to provide services relative to the discretionary or non-discretionary selection of Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. The Firm seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its client's investment objectives and overall best interests.

### **Betterment Advisory Services**

Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms. Betterment LLC ("Betterment"), a registered investment advisor, serves as a sub-advisor to your clients ("Clients"). MTG LLC, dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian. The services provided by Betterment include:

- **Goal-Based Investment Management:** Betterment's goal-based investment platform allows advisors and Clients to identify multiple investment goals for each Client, each with specific portfolio allocations;
- **Portfolio Construction Tools:** Advisors and Clients have access to a set of portfolio strategies, each of which is comprised of low-cost, index-tracking exchange-traded funds or mutual funds (the latter only for advisors who are approved to construct portfolios with Dimensional Fund Advisors mutual funds), and are able to customize the risk-level for each investment goal;
- **Automated Investment Management Services:** Betterment's algorithms automate back-office tasks such as trading, portfolio management, tax loss harvesting, and account rebalancing;
- **Website and Mobile Application:** Betterment's website and mobile application provide a platform for account access and monitoring, and delivery of account documentation and notices; and
- **Advisor Dashboard:** Advisors have access to a dashboard for the purposes of monitoring and managing Client accounts.

### **Financial Institution Consulting Services**

YellowWood Wealth provides investment consulting services to certain broker/dealers' customers ("Brokerage Customers") who provide written consent requesting to receive the firm's consulting services. Brokerage Customers have entered into a written advisory agreement with YellowWood.

### **Third-Party Investment Program**

In providing our discretionary management services, the Firm may engage the services of Advyzo Investment Management LLC ("AIM") to manage all or a portion of your assets through its turnkey asset management program (the "Program"). When we do so, we will provide you with a copy of AIM's current Disclosure Brochure, Privacy Policy, and Form CRS ("AIM's Disclosure Documents"). You should read these documents carefully to be sure you understand the Program.

Using information we gather from you, we evaluate your financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon. This information helps us determine whether your participation in the Program is appropriate for you, and if so, allows us to choose an appropriate Investment

Strategy for the management of your assets. Once we choose the Investment Strategy and allocate all or a portion of your assets to the Investment Strategy, AIM will provide ongoing discretionary management of your assets according to the mandate of the Investment Strategy.

Please note that if we engage AIM to manage your assets, AIM will obtain access to your confidential information from us and/or from the custodian of your brokerage account. As stated in our Privacy Policy, we are authorized to share your personal information with third parties as necessary to service your account. Our agreement with AIM includes provisions requiring AIM to hold your information in strict confidence and to maintain reasonable technological protections, precautions, and safeguards for your information.

### **Other Third-Party Services**

The Firm has entered into a service agreement with Pontera to provide asset management services for accounts held away from our primary custodial affiliations. Through this, we are able to create a portfolio, consisting of the securities/investment opportunities available, depending on the type of held-away account being managed by our firm. The Pontera platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. The client's individual investment strategy is tailored to their specific needs and may include some or all of the securities made available. Portfolios will be designed to meet a particular investment goal, determined to be suitable for the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced.

## **ITEM 5 – FEES AND COMPENSATION**

The Firm offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement.

### **Wealth Management Fees**

YellowWood Wealth offers investment management on a fixed and/or hourly basis or an annual fee based on the amount of assets under management. This management fee generally varies between 50 and 150 basis points (0.50% -1.50%), depending on the size and composition of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by the Firm on the last day of the previous billing period.

You may make additions to and withdrawals from your Assets at any time, subject to our right to terminate our services. If Assets are deposited or withdrawn after the beginning of a Billing Period, the Investment Management Fee will be prorated. All withdrawals are subject to customary securities settlement procedures. We design our portfolios as long-term investments, and Asset withdrawals may impair the achievement of your investment objectives. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination, and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

The Firm reserves the right to charge a minimum fee of \$3000 during the initial period of an engagement. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination, and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services, the Firm provides, with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), the Firm may negotiate a fee rate that differs from the range set forth above.

### **Fee Discretion**

The Firm may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to the Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

Clients generally provide the Firm with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to the Firm.

### **Commissions and Sales Charges for Recommendations of Securities**

Clients can engage certain persons associated with the Firm (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with the Firm.

Under this arrangement, the Firm’s Supervised Persons, in their individual capacities as registered representatives of APW Capital, Inc. (“APW”), may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to APW, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. APW may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with APW.

A conflict of interest exists to the extent that the Firm recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm’s recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that the Firm, in its sole discretion, deems appropriate, the Firm may provide its investment advisory services on a fee-offset basis. In this scenario, the Firm may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of APW.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their accounts at any time, subject to the Firm’s right to terminate an account. Additions may be in cash or securities, provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to the Firm, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client’s investment objectives. The Firm may consult with its

clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges), and/or tax ramifications.

### **Betterment Fees and Compensation**

Unless you have negotiated a specific fee discount, Betterment charges your clients an asset-based wrap fee on amounts invested via the Betterment for Advisors platform that is tiered based on the aggregate balance of all of your firm's client accounts at Betterment (not including funds held in Betterment Everyday Cash Reserve). That wrap fee currently ranges from 0.12% to 0.20% of account balances. The asset-based wrap fee is charged quarterly in arrears. The services included in the wrap fee includes all of the services provided by Betterment and Betterment Securities through the Betterment for Advisors platform, including advisory services, custody of assets, execution, and clearing of transactions, and account reporting. Betterment collects wrap fees directly from Clients pursuant to the terms of the sub-advisory agreement between Betterment and each Client. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the advisory, custodial, trade execution, and other services were purchased separately. Advisors with clients on this pricing structure typically also pay a fixed monthly fee to Betterment.

If you charge Clients a fee in addition to the Betterment for Advisors platform fee for assets held on the Betterment for Advisors platform, Betterment will collect both its and your fee from each Client and remit your portion of the fee directly to you. Clients should be made aware of this arrangement.

Additional information regarding Betterment's fees and compensation is described in Betterment's Form ADV Part 2A.

### **Financial Institution Consulting Services**

YellowWood Wealth receives a consulting fee based on the Assets Under Management from Brokerage Customers who have provided written consent to a broker/dealer to receive the investment consulting service from YellowWood and have entered into a written advisory contract with YellowWood. The consulting fee is calculated from the Assets Under Management as of the end of a calendar quarter period multiplied by the annualized rate indicated on the agreement. The initial fee is paid only after the completion of one full calendar quarter period following the date of the executed agreement with broker/dealers.

### **Third-Party Investment Management Program Fee**

If the Firm engages AIM to manage all or a portion of your assets, AIM receives an annual Program Fee based on assets under management in the Program, including cash and cash equivalents. This fee is included in our total investment management fee described in this Brochure, and your fees will not increase based on whether your assets are managed by AIM.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Firm does not provide any services for a separate performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **ITEM 7 – TYPES OF CLIENTS**

YellowWood Wealth Solutions, LLC offers investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

### **Minimum Account Requirements**

The Firm does not impose a stated minimum fee or minimum portfolio value for starting and maintaining

an investment management relationship.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategies**

YellowWood Wealth may utilize several methods of analysis when structuring client portfolios, including fundamental analysis and technical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. The Firm may analyze the financial condition, capabilities of management, earnings, new products, and services, as well as the company's markets and position amongst its competitors, in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that YellowWood Wealth will be able to accurately predict such a reoccurrence.

To implement its recommendations, the Firm primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds, and exchange-traded funds ("ETFs") in accordance with their stated investment objectives. On a more limited basis, the Firm may utilize mutual funds or other securities to meet a client's investment needs.

### **Mutual Fund Share Classes**

As a fiduciary, the assigned investment adviser representative shall conduct an initial share class assessment when a mutual fund is purchased, when a new advised account is opened with mutual funds in the account, or upon receipt of mutual funds into the client's advised account.

The assigned investment adviser representative shall convert when available mutual fund share classes to more beneficial share classes. Due to contingent deferred sale charges (CDSC), also known as back-end sales loads, it may not be in the client's best interest to liquidate mutual funds with such charges. Conversely, from time to time, some mutual fund companies may allow for the free exchange of one share class to another less expensive share class. The receipt by the Company (or an affiliate) of any 12b-1 fees related to mutual fund investments held by the Company's clients must be disclosed to clients and to plan fiduciaries under ERISA.

### **Risk of Loss**

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly.

The profitability of a significant portion of YellowWood Wealth's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. There can be no assurance that the Firm will be able to predict those price movements accurately or capitalize on any such assumptions.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's

underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to the actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, YellowWood Wealth may select certain Independent Managers to manage a portion of its client's assets. In these situations, YellowWood Wealth continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, the Firm generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Use of Private Collective Investment Vehicles*

YellowWood Wealth recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments that may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Master Limited Partnerships (MLPs)*

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation, and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

#### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance

of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *Real Estate Investment Trusts (REITs)*

YellowWood Wealth may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage-related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage-related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity, and counterparty risk.

#### *Exchange-Traded Notes (ETNs)*

YellowWood Wealth may recommend an investment in, or allocate assets among, various exchange-traded notes (“ETNs”). ETNs are unsecured debt securities that are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer’s credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

#### *Liquidity*

YellowWood Wealth may recommend investments intended for longer-term investment, such as private real estate opportunities. These types of investments may be less liquid, meaning funds may not be readily available for withdrawal by the client. The risk of illiquidity shall be measured against the potential return of the product and the position size, as well as the client’s investment-specific return and investment objectives, to ensure the risk is appropriate.

#### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally affected using capital borrowed from a Financial Institution, which is secured by a client’s holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client’s outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client’s borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client’s portfolio.

#### *Structured Products*

YellowWood Wealth may recommend an investment in, or allocate assets among, various structured products. Structured products are unsecured obligations of an issuer with a return, generally paid at maturity, which is linked to the performance of an underlying asset. In addition to the risks that apply to all investments in securities, investing in structured products may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to, the following:

- **Issuer credit risk.** A structured product is an unsecured obligation of the applicable issuer. Any

- payment on a structured product, including any repayment of principal, is subject to the creditworthiness of the issuer. If the issuer becomes bankrupt or is unable to pay its obligations as they come due, you may lose some or all of your investment.
- **Risk of loss.** Many structured products subject you to the downside market risk of the underlying asset. Depending on the product, you may lose some or all of your investment if the underlying asset declines in value. In addition, if we decide to sell a structured product before it matures, you may lose some or all of your investment, regardless of any market risk reduction feature the product may offer.
  - **Potential returns may be limited.** Potential returns on a structured product may be limited. You may not participate in the growth potential of the underlying asset beyond a certain limit or at all.
  - **Performance before maturity.** In addition to the performance of the underlying asset, structured product fees, and market factors, such as fluctuations in interest rates, which influence the price of bonds and options, generally will also affect the value of a structured product before it matures. Therefore, the value of a structured product before it matures may be more or less than its initial price and may be substantially different than the payment expected at maturity. A structured product must be held to maturity to receive the stated payout from the issuer, including any repayment of principal.
  - **No guarantee of liquidity.** Structured products are generally not listed on any exchange. A secondary trading market for a structured product may not develop. Typically, any available liquidity is provided by the issuer as a service to investors, but the issuer is not obligated to provide a secondary market. As a result, we may not be able to sell the structured product before it matures. If we are able to sell a structured product in the secondary market, it may be at a significant discount. With that in mind, you should be prepared to hold your structured product to maturity.
  - **Potential conflicts.** The issuer of a structured product and its affiliates may play a variety of roles in connection with the structured product, including acting as calculation agent and hedging the issuer's obligations under the structured product. In performing these duties, the economic interests of the calculation agent and other affiliates of the issuer may be averse to your interests as an investor in the structured product.
  - **Taxation.** The tax treatment of a structured product may be very different than that of a traditional investment or of the underlying asset. Significant aspects of the tax treatment of a structured product may be uncertain.

## **ITEM 9 – DISCIPLINARY INFORMATION**

The Firm has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Relationship with tru Independence, LLC**

The Firm maintains a business relationship with tru Independence, LLC (“tru Independence”), a service platform for investment professionals and an SEC-registered investment adviser. Through its relationship with tru Independence, the Firm gains access to services related to reporting, compliance, technology, transition support, and other related services.

In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. The Firm reviews all of its service provider relationships on an ongoing basis in an effort to ensure decisions are made in the best interests of clients. Clients should be aware, however, that this relationship may pose certain conflicts of interest. Specifically, tru Independence charges the Firm a platform fee calculated on revenue that decreases as assets increase. Accordingly, the Firm has an incentive to increase the assets it places through the tru Independence platform. tru Independence

also provided transition support aimed at helping the Firm launch its new advisory firm. The receipt of economic and other benefits as described above from tru Independence creates an incentive for the Firm to choose tru Independence over other service providers that do not furnish similar benefits.

### **Registered Representatives of a Broker-Dealer**

Certain of the Firm's Supervised Persons are registered representatives of APW Capital, Inc. ("APW"), and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5. This arrangement allows YellowWood Wealth's Supervised Persons to offer certain qualified clients trading services, which gives the Firm the ability to execute trades of client assets custodied at a qualified custodian as defined in Item 12. Although APW is also a Registered Investment Adviser, the Supervised Persons are only registered as Registered Representatives at APW.

### **Insurance Agents**

Certain of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest, regardless of any such affiliations.

### **Retirement Plan Accounts**

The Firm may, from time to time, recommend the rollover to an IRA from an employer-sponsored retirement plan. This product will be recommended when it is deemed by the Firm to be in the best interest of the client. It is understood that the Investment Advisor Representative will receive a management fee paid as indicated by the client agreement that will be signed when the account is opened.

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 interests 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.
- Give you basic information about conflicts of interest.

When recommending the rollover to an IRA from an employer-sponsored retirement plan, you will be provided with disclosure on the reasons why the transaction is in your best interest, it will be required to be signed by both you and the advisor and will be maintained in your file.

### **Betterment Services and Potential Conflicts**

If part of your relationship is with Betterment and Betterment Securities, Betterment may offer services intended to help the Firm manage and further develop your business enterprise, such as access to webinars and advice about using the Betterment for Advisors platform to grow the business. Betterment may offer different or expanded services in the future. These services could create an incentive for the Firm to recommend that clients invest through the Betterment for Advisors platform. This is a potential conflict given that interest in recommending Betterment could be influenced by the Firm's receipt of Betterment

and Betterment Securities' services. Other potential conflicts may exist regarding the use of the Betterment for Advisors platform.

### **Financial Institution Consulting Services**

YellowWood Wealth has agreement(s) with broker/dealers to provide investment consulting services to Brokerage Customers. Broker/dealers pay compensation to YellowWood for providing investment consulting services to 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 Yellowwood's investment adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with YellowWood.

This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from YellowWood; by YellowWood 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 YellowWood not engaging as, or holding itself out to the public as, a securities broker/dealer. YellowWood is not affiliated with any broker/dealer.

### **Other Financial Industry Activities and Affiliations**

Sanctuary Wealth, which is the sole owner of TIAM, is affiliated with the following entities:

- **Sanctuary Advisors, LLC** is an SEC-registered investment advisor based in Indianapolis, IN which is wholly owned by Sanctuary Wealth.
- **Two West Capital Advisors, LLC** is a separately owned SEC-registered investment advisor based in Overland Park, KS that operates under the names Two West Advisors (TWA) and GoalPath. Sanctuary Wealth has a 5% ownership interest in TWA.
- **KL SWG AIV, LLC** (the "KL Fund"), a pooled investment vehicle, as a result of the KL Fund holding a convertible loan entitling the KL Fund and certain of its affiliates to certain consent and board appointment rights with respect to Sanctuary Wealth both prior to and following conversion of the loan. As a result of the KL Fund's convertible loan, TIAM is also affiliated with the KL Fund, as well as the following:
  - Kennedy Lewis Management LP ("KLM" and together with its affiliates, "Kennedy Lewis"), a registered investment adviser, because KLM is affiliated with the manager of the KL Fund; and
  - Generate Advisors, LLC ("Generate Advisors" and together with the KL Fund, KLM, and their affiliates, "Kennedy Lewis"), a registered investment adviser that manages collateralized loan obligation assets, because Generate Advisors is under common control with KLM.
- **Azimut US Holdings, Inc.** ("AZ US Holdings"), a holding company, as a result of AZ US Holdings holding equity interests in Sanctuary Wealth that entitle AZ US Holdings to certain consent and board appointment rights with respect to Sanctuary Wealth. As a result of AZ US Holdings' equity interests in Sanctuary Wealth, TIAM is also affiliated with AZ US Holdings, as well as the following:
  - Azimut Group, a European investment manager, because AZ US Holdings is a subsidiary Azimut Group;
  - Azimut Genesis Advisors, LLC ("Azimut Genesis"), a registered investment adviser, because AZ US Holdings holds a majority ownership interest in Azimut Genesis; and
  - AZG Capital LLC ("AZG Capital" and together with AZ US Holdings, Azimut Group, Azimut Genesis, and their affiliates, "Azimut"), a registered investment adviser, because AZ US Holdings holds a majority ownership interest in AZG Capital.

- **Sanctuary Insurance Solutions, LLC** provides wealth and succession plans for high-net-worth clients.
- **Sanctuary Global, LLC** provides services, solutions, and resources for conducting business globally.
- **Sanctuary Asset Management Solutions, LLC** is an integrated asset management solution that provides the opportunity to create scale and efficiency within its investment process.
- **Sanctuary Global Family Office, LLC** advises on family office formation, needs assessment, and assessing governance and controls of the family office.

From time to time, TIAM or its affiliates will make certain investment products (including, without limitation, business development companies and private funds), sponsored or managed by or services provided by Kennedy Lewis or Azimut or other affiliates (such products, “Affiliate Products and Services”) available to the Firm’s clients through Sanctuary Wealth’s platform, and TIAM may recommend that its clients invest in Affiliate Products and Services. In such instances, we will be subject to conflicts of interest because the KL Fund’s and AZ US Holdings’ interests in Sanctuary Wealth create an incentive for Sanctuary Wealth and its affiliates (including TIAM) to increase clients’ investments in products that, like the Affiliate Products, and Services financially benefit Kennedy Lewis and Azimut. The Firm believes that these conflicts are mitigated by the fact that investment products, including Affiliate Products and Services, are generally subject to investment committee review prior to being included on Sanctuary Wealth’s platform, and because the Firm requires that investment recommendations be in the client’s best interest.

The Firm will at all times put the interests of its clients ahead of its own as part of its fiduciary duties. Clients should be aware that the payment of referral fees between the parties creates a conflict of interest and may affect the judgment of individuals who make referral recommendations, as they may be incentivized to recommend programs based on compensation received, rather than on the client’s needs. Clients are under no obligation to purchase services recommended by TIAM or TWA associated persons or to purchase services through TWA. TIAM may provide investment advisory services to its affiliates.

## **ITEM 11 – CODE OF ETHICS**

The Firm has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. The Firm’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices, such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of the Firm’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact the Firm to request a copy of its Code of Ethics.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Recommendation of Broker-Dealers for Client Transactions**

The Firm generally recommends that clients utilize the custody, brokerage and clearing services of Raymond James & Associates, Inc., member New York Stock Exchange/SIPC (the "Custodian" or "Raymond James") for investment management accounts.

Factors which the Firm considers in recommending Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The Custodian may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodian may be higher or lower than those charged by other Financial Institutions.

YellowWood Wealth recommends that clients establish brokerage accounts with Raymond James to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Raymond James is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. YellowWood Wealth is independently owned and operated and not affiliated with Raymond James. Raymond James provides YellowWood Wealth with access to its institutional trading and custody services, which are typically not available to Raymond James retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Raymond James. Raymond James services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For YellowWood Wealth's client accounts maintained in its custody, Raymond James generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Raymond James or that settle into Raymond James accounts.

Raymond James also makes available to the Firm other products and services that benefit YellowWood Wealth but may not benefit its clients' accounts. These benefits may include national, regional, or YellowWood Wealth specific educational events organized and/or sponsored by Raymond James. Other potential benefits may include occasional business entertainment of personnel of YellowWood Wealth by Raymond James personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its client's accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of YellowWood Wealth's accounts, including accounts

not maintained at Raymond James. Raymond James also makes available to the Firm other services intended to help it manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Raymond James may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to YellowWood Wealth. While, as a fiduciary, the Firm endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Raymond James may be based in part on the benefit to YellowWood Wealth and of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Raymond James, which may create a potential conflict of interest.

The commissions paid by the Firm's clients to the Custodian comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where the Firm determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

The Firm seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the client may be required to sign an additional agreement and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist the Firm in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because the Firm does not have to produce or pay for the products or services.

The Firm periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

The Firm may receive without cost from Raymond James computer software and related systems support, which allow the Firm to better monitor client accounts maintained at Raymond James. The Firm may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Raymond James. The software and support are not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit the Firm, but not its clients directly. In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Firm's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, the Firm may receive the following benefits from Raymond James:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### **Brokerage for Client Referrals**

The Firm does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

The client may direct the Firm in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by the Firm (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Firm may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Transactions for each client generally will be effected independently unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s client’s differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Firm’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Firm does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the

Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Betterment Brokerage Services**

Betterment Securities is responsible for execution of securities transactions and maintains custody of

customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in their receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If clients do not wish to place assets with or execute trades through Betterment Securities, then Betterment cannot manage your client accounts on the Betterment for Advisors platform.

Additional information regarding Betterment Securities can be found on FINRA's Broker Check.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Account Reviews**

The Firm monitors client portfolios on a continuous and ongoing basis while regular account reviews with clients are requested on at least an annual basis. Such reviews are conducted by the Firm's Investment Committee and/or investment adviser representatives and are intended to fulfil the Firm's fiduciary obligations to their advisory clients. All advisory clients are encouraged to discuss their needs, goals and objectives with YellowWood Wealth Solutions, LLC and to keep the Firm informed of any changes thereto. YellowWood Wealth Solutions, LLC contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly, at the client discretion, to discuss the impact resulting from any changes in the client's financial and/or investment objectives. Quarterly reporting is sent to all clients.

At least semi-annually, the Firm will review any mutual fund holdings to ensure it maintains the lowest fee share class available. The Firm will work with the client's custodian to determine if a share class conversion is available and appropriate for them at the time of their review. If the Firm does hold A shares or other similar Funds, the Firm will review its options for converting to a lower fee share class and if it is in the best interest of the clients to do so.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from the Firm and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from the Firm or an outside service provider.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **Client Referrals**

The Firm may provide compensation to third-party solicitors for client referrals. In the event a client is introduced to the Firm by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with the Firm's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of the Firm is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

### **Betterment Client Referrals and Other Compensation**

When considering what client referrals and other compensation to disclose, please keep in mind that we

may be deemed to give Betterment an indirect benefit or a conflict of interest arises in the form of the asset-based fees it receives from Clients. We also receive a non-economic benefit from Betterment in the form of the support products and services it makes available to us.

### **Lead Generation Services**

The Firm may utilize paid lead generation services to capture and qualify leads. The Firm utilizes a service through Pro Sales Growth, a non-affiliated 3rd party that offers a soft lead generation service, to which the Firm pays an upfront fee to participate. At the beginning of the relationship, the advisor provides certain parameters for their prospects to the service, and the service will then provide the prospects matching the parameters to the advisor. These tailored leads are typically obtained from the internet by the lead generation service. The advisor chooses those prospects they wish to contact. All outreach, including advertisements, is performed by Pro Sales Growth and does not name the Firm in any communications.

## **ITEM 15 - CUSTODY**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize the Firm and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to the Firm.

In addition, as discussed in Item 13, the Firm may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from the Firm.

### **Third-Party Standing Letters of Authorization ("SLOA")**

Our firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian.

The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. By working with the qualified custodian, the Firm has in place seven provisions set forth by the SEC to assist in mitigating risk. The below must be followed to clients with third-party SLOAs:

1. The client provides an instruction to the qualified custodian, in writing, which includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the Firm, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client can terminate or change the instruction to the client's qualified custodian.
5. The Firm has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The Firm maintains records showing that the third party is not a related party of Firm or located at the same address as the Firm.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

As stated earlier in this section, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least

quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

### **Betterment Custody Services**

Betterment Securities maintains custody of certain clients' assets that are managed by Betterment. Your account statements are available for review on the activity section of the Betterment for Advisor's client portal. Clients receive periodic emails from Betterment with information about accounts as well as links to account statements. Clients should carefully review those statements promptly.

## **ITEM 16 – INVESTMENT DISCRETION**

The Firm may be given the authority to exercise discretion on behalf of clients. The Firm is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. The Firm is given this authority through a power-of-attorney included in the agreement between the Firm and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). The Firm takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

### **Betterment Investment Discretion**

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. To use Betterment's investment services, Clients and/or you inform Betterment of a Client's financial goals and personal information through Betterment's online applications, and Betterment's algorithm then recommends and builds a portfolio of exchange-traded funds for each of the client's financial goals and account types. Each portfolio is associated with a target allocation of investment types and/or asset classes but you can modify Betterment's initial allocation recommendation as you see fit.

In the absence of a contrary direction, Betterment periodically rebalances client portfolios so that in the face of fluctuating market prices each Client's portfolio remains within a range of the target allocation. Betterment also offers optional tax loss harvesting and automated asset location services.

If you allow clients to place limits on your discretionary authority to manage accounts other than the limits described in Betterment's Form ADV Part 2A, you should consider including any such limits in your ADV.

## **ITEM 17 – VOTING CLIENT SECURITIES**

### **Declination of Proxy Voting Authority**

It is the Firm's policy not to accept voting authority over any client's proxies.

### **Betterment Voting Client Securities**

For assets managed on the Betterment for Advisors platform, clients delegate to Betterment the authority to receive and vote all proxies and related materials. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Additional information about proxy matters is contained in Betterment's Form ADV Part 2A.

### **Proxy Voting by Third-Party Investment Manager**

When we engage AIM to provide investment management of all or a portion of your assets, AIM does not exercise proxy voting authority over securities in your account.

## **ITEM 18 – FINANCIAL INFORMATION**

The Firm is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.