

# TRUSTCORE<sup>®</sup>

illuminate the possibilities.

## **TrustCore Financial Services, LLC**

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March 12, 2019

This brochure provides information about the qualifications and business practices of TrustCore Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at (615)377-1177 or [LaRue.McIntyre@TrustCore.com](mailto:LaRue.McIntyre@TrustCore.com). 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 TrustCore Financial Services, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106522.

## Material Changes

This March 12, 2019 version of TrustCore Financial Services, LLC's Firm Brochure ("**Brochure**") contains updates to the prior version dated June 20, 2018. Those updates include a new disclosure item under "*Disciplinary Information*" and additional information about our receipt of compensation from certain mutual funds.

# TRUSTCORE®

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# Advisory Business

## About our Firm

TrustCore Financial Services, LLC (the “**Firm**,” “**TrustCore**,” “**we**” or “**us**”) is an SEC-registered investment advisor with its principal place of business located in Tennessee. We began conducting business in 1982. This registration is reflective of our regulatory status and does not imply a certain level of skill, training or endorsement by the SEC. However, our financial advisors have achieved various levels of certification and training within the advisory industry.

TrustCore is a wholly-owned subsidiary of TrustCore, LLC (“**TC**”). TC is a holding company and has two other wholly-owned subsidiaries—TrustCore Investments, LLC, an independent registered broker-dealer (“**TCI**”), and TrustCore Insurance Agency, Inc., an independent insurance agency (“**TCA**”). TC’s principal equity holders are Mr. Darryl Lynn Edmonds, Mr. Mikael Winnie Jacobs, Mr. Bobby Weatherford Sinclair and Mr. William Craig Reed.

## What We Do

Our financial planners can help you chart a clear course for your financial future. TrustCore is privately owned and operates independently from any other financial services company. Serving clients for more than 35 years, TrustCore is consistently ranked among the top wealth management firms in the U.S. This size and scale enables us to bring you deep expertise and unique investment opportunities.

We help clients create, grow and preserve their wealth and navigate today’s complex financial landscape. We strive to provide every client with greater peace of mind and financial choices that reflect the client’s unique objectives and time horizons.

*For Individuals & Families:* We formulate customized financial plans that include tailored advice on investments, tax reduction strategies, risk management, education planning, healthcare, retirement, and estate planning.

*For Businesses:* We provide ownership and succession plan strategies, risk management, key-person insurance, and retirement-plan solutions.

*Going the Distance:* Darryl Edmonds founded TrustCore with the vision to help clients simplify their financial lives and take control of their futures. Serving clients for more than 35 years, TrustCore has become one of the largest independent wealth management firms in the U.S. From its offices in Brentwood, a suburb of Nashville, TrustCore advises on client assets of \$1.5 billion for clients in 34 states across the nation.

*Seeing Possibilities:* We help each client explore what’s possible in their financial future and formulate personalized strategies for investments, insurance, education funding, healthcare, and estate and retirement planning. Whether travelling or doing philanthropic work is your passion, or you are in the midst of caring for family or switching to a second career, we can help you plan for a financially sound future.

*Deepening the Bench:* Our team of 25 financial planners have more than 450 years of combined experience and provide expertise to clients in a broad range of financial disciplines. They hold the industry’s most recognizable credentials.

*Inspiring Confidence, Trust:* We hold ourselves to the fiduciary standard which requires us to place client interests before our own. TrustCore is privately owned and operates independently from any brokerage firm, bank, insurance company or other financial services company. We offer no “house brand” products, and our financial planners have no production or sales quotas. We advise our clients based on a clear understanding of their underlying, long-term needs.

We offer the following advisory services to our clients:

## Financial Planning & Portfolio Management

Our investment adviser representatives are independent contractors who we refer to as “**Financial Advisors and Planners**,” or “**FAs**.” They provide financial planning and portfolio management services to our clients.

## Financial Planning

Financial planning is a comprehensive evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. A client receives a written report which provides a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

We believe the starting point for any client seeking personal financial health is a plan with personal goals quantified, resources outlined, and an initial plan of action specified. We offer comprehensive financial planning, but do not require a client to participate in a comprehensive plan. A client determines the direction and scope of their financial planning, as well as any specific services provided, through the relationship with their Financial Advisors and Planners. This is done on an individual basis. We prepare and provide a client with a financial plan designed to help them achieve their financial goals and investment objectives. The preparation of such a plan necessitates that the client provide us with personal data such as financial status, tax status, family records, budgeting, personal liability, current holdings, estate information and additional financial goals. The financial plan can include any or all of the following as requested and/or directed by a client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons, and risk management.

Should a client choose to implement the recommendations contained in the plan, we suggest the client work closely

with his/her attorney and accountant for portions of the plan outside the scope of our services and will assist in coordinating this activity at the client's request. Clients retain complete discretion as to whether to implement our financial planning recommendations.

### **Portfolio Management**

Portfolio Management Services are offered to financial planning clients and to clients who want these investment advisory services on a stand-alone basis. Portfolio Management Services provide systematic asset management of client funds based on the individual needs of the client. Through discussions in which goals and objectives based on the client's particular circumstances, including their risk tolerance, liquidity needs, investment horizon, investment experience and investment restrictions are established, we develop a client's personal investment policy. We create and manage a portfolio based on that policy. As appropriate, we will also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on either a discretionary or non-discretionary basis. Account supervision is guided by a client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients can impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors, but should understand that by restricting the types of investments on which we provide advice, their portfolios may not hold the same types of investments that we would otherwise recommend.

Once a client's investment policy has been established, Financial Advisors and Planners are responsible for reviewing the portfolio and if necessary, rebalancing the portfolio, based on the client's individual needs. These reviews are performed at least annually, and typically more frequently. Portfolios may consist of:

- Exchange-traded funds (“**ETFs**”)
- Mutual funds
- Equities
- Options
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificate of deposits
- United States government securities
- Municipal securities
- Warrants
- Real estate limited partnerships

- Alternative investments

The investment strategies utilized and portfolios constructed and managed depend on an individual client's investment objectives and goals as provided to the Financial Advisors and Planners. Model portfolios and/or margin can be suggested as a part of this strategy. The Financial Advisors and Planners will recommend investments based on a client's goals and objectives recognizing, however, for accounts where discretion has not been granted, each client has full discretion to select the investments held in their portfolio. The Financial Advisors and Planners can periodically rebalance a client's account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation in nondiscretionary accounts without prior client review and consent.

Because some types of investments involve certain additional degrees of risk, they will only be implemented / recommended when consistent with a client's stated investment objectives, tolerance for risk, liquidity and suitability.

Clients have ready access to their respective Financial Advisors and Planners. FAs are not required to be available for unscheduled or unannounced visits by clients. However, Financial Advisors and Planners are expected to periodically meet with clients and should be available to respond to client inquiries.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. However, we are not an accounting firm or a law firm—clients should rely on those professionals for advice on those topics.

Our recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. However, our Financial Advisors and Planners may also be registered representatives of TCI, our affiliated broker-dealer, and / or agents of TCA, our affiliated insurance agency. Financial Advisors and Planners may recommend the purchase of products sold by these affiliates. As a result, our FAs can earn commissions or other sales charges when they recommend investment advisory clients purchase investments through our affiliates in the FAs' capacities as either registered representatives of TCI or as insurance agents of TCA. This compensation earned by FAs and our affiliates presents a conflict of interest and is discussed below.

### **Selection & Monitoring of Third-Party Money Managers**

We also offer advisory management services. Based on a client's individual circumstances and needs, we may suggest selected unaffiliated registered investment advisors (“**Managers**”) to provide the client with investment advice. Factors we consider in making recommendations include account size, risk tolerance, the client's opinion and the Manager's investment philosophy. Clients should refer to the Manager's Firm Brochure or other disclosure document for a full description of the services offered. We

are available to meet with clients on a regular basis, or as determined by the client, to review their account held with any Managers.

Once we determine to recommend a Manager to a client, we introduce them to the client. If the client agrees to engage a Manager, the client will enter into a separate investment advisory agreement with the Manager. The Manager then creates and manages the client's portfolio based on the client's individual needs.

We monitor the Managers' performance. If we determine that a Manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with what we understand the client's needs are, we may suggest terminating their contract or contracting with a different Manager. This decision is solely at the discretion of the client.

### **Pension Consulting Services**

We also provide several non-discretionary advisory services separately or in combination, to pension, profit sharing and 401(k) plans. We also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation ("IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. We then prepare a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various investment options to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although we are not involved in any way in the purchase or sale of these investments, we monitor the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the

client under the guidelines established in the Employee Retirement Income Security Act of 1974. The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **Assets Under Management**

As of December 31, 2018, we were actively managing approximately \$1,161,029,227 of clients' assets on a discretionary basis plus \$364,282,450 of clients' assets on a non-discretionary basis.

### **Fees & Compensation**

#### **Financial Planning & Portfolio Management Fees**

We charge advisory fees for financial planning, portfolio management or other services. The vast majority of client advisory fees are billed quarterly, but these fees can be a one-time fee, an ongoing flat fee, an hourly fee or a fee based on assets under management. All fees are negotiated between the client and their FA. Fees can be paid in arrears, concurrent, or in advance and, where relevant, based on the ending value of the assets managed at the end of a particular quarter. If a client is paying their fee based on assets under management, generally the annual fee schedule starts from 0.5% to 2% and decreases as the asset total increases. Additional factors that can impact fee negotiation include the complexity and scope of services being requested by the client and the experience of the FA. Advisory fees can be debited from a client's account with written authorization from the client. Below is a sample of how the annualized fee will be charged quarterly as a percentage of assets under management:

|              | <b>Assets</b>   | <b>Annual Percentage</b> |
|--------------|-----------------|--------------------------|
| <i>First</i> | \$2,000,000.00  | 0.50% to 2.00%           |
| <i>Next</i>  | \$3,000,000.00  | 0.50% to 1.50%           |
| <i>Next</i>  | \$5,000,000.00  | 0.50% to 1.25%           |
| <i>Next</i>  | \$10,000,000.00 | 0.50% to 1.00%           |
| <i>Next</i>  | \$20,000,000.00 | 0.50% to 0.75%           |

*Limited negotiability of advisory fees:* Although we have established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Fee alternatives include a minimum fee, an hourly or a flat fee for specific client projects. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client's circumstances, assets to be managed, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. We group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, can be offered to family members and friends of associated persons of our firm.

A client will also pay separate, but customary, brokerage, transaction, service, and custodial charges in addition to our advisory fees.

Our FAs may be registered representatives of TCI and may sell insurance through TCA. A client is under no obligation to buy securities or insurance products from either TCI or TCA. However, if a client buys or sells investment products from or through TCI or TCA, then our FAs (as well as TCI or TCA, as applicable) will earn commissions, concessions and trails in addition to any advisory fees we charge—therefore, our FAs that are so affiliated with TCI / TCA have a conflict of interest in recommending such products. Clients can purchase the same securities or insurance products from a broker or insurance agent not affiliated with us, which may or may not charge lower commissions.

### **Selection & Monitoring Manager Fees**

We include assets held at third party Managers in our fee schedule when calculating a client's fee. Clients are provided with a separate disclosure document which includes disclosures of the fee paid to the third-party Manager, which fees are in addition to our fee.

### **General Information**

*Termination of the advisory relationship:* A client relationship can be severed at any time, by either party without penalty, for any reason upon receipt of 30 days written notice. As disclosed above, some fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period.

*Mutual fund fees:* All fees paid to TrustCore for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. Those fees include operational expenses, advisory fees, sales charges, and other fees. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services we provide which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If a client buys mutual funds through TCI, the FA will be acting in his / her capacity as a registered representative of TCI only—not as an advisory representative of TrustCore. In this capacity, TCI and the FA will receive customary concessions and distribution fees (12b-1 or trails) from the mutual fund company. Most mutual funds have various share classes and each share class has its own schedule of fees. These fees and expenses are described in each fund's prospectus, and vary for different share classes of the same mutual fund. These fees will generally include a management fee, other fund expenses, and a possible distribution fee (12b-1 or trails). Distribution fees can be

paid to TCI and the FAs. If the fund also imposes sales charges, a client will pay an initial (typically for class A shares) or deferred sales charge (typically class B or C shares). Additionally, in this capacity, the FA may or may not have access to all classes of shares, including share classes that are sometimes only available to registered investment advisory firms. The FA can recommend a purchase of a share class that results in higher fees to the client and additional compensation, beyond the advisory fees paid to TrustCore, that is paid to TCI and to the FA. Acting in this capacity, TCI and the FA are entitled to additional compensation and this creates a conflict of interest.

We may recommend that clients invest in mutual fund share classes that charge the client a 12b-1 fee or other distribution fee, and we and / or the FA may receive a portion of those fees. Some mutual funds may have share classes available that do not charge 12b-1 fees. In those cases, we have a conflict in recommending that the client invest in a share class that charges a distribution fee when a lower-cost share class is available, especially when we and / or our FAs receive a portion of those distribution fees.

Depending on what share classes a mutual fund offers, a client may or may not be able to purchase a share class with lower fees and expenses of the same mutual fund if the purchase is made via an account held at Charles Schwab and the FA is acting in his / her capacity as an investment adviser representative of TrustCore, rather than in the capacity of a registered representative of TCI. Additionally, concessions and distributions paid for mutual funds purchased through Charles Schwab & Co, Inc. ("**Schwab**") accounts are not paid to TrustCore, its affiliated firms or its supervised persons. All concessions and distributions are paid directly to **Schwab**. Because the FA has no ability to receive additional compensation in the form of commissions, concessions or distribution fees for mutual fund purchases made through our custodian, the conflict of interest surrounding share class selection and its ability to impact the compensation of the FA is removed.

Over time, given funds may offer share classes with lower fees. In these cases, we may determine whether and in what manner to offer these share classes to our advisory clients. This may result in shares you own of the given fund being converted to the share class with lower fees or such share class with lower fees being available only for new purchases. We review our policies, procedures and systems from time to time in our discretion to determine whether to continue to offer funds with these multiple share classes, and reserve the right to no longer offer certain share classes to our clients.

Even though we have processes in place to regularly review client accounts and holdings, despite our best efforts to obtain the lowest expense share class for our clients, fund expenses and fund offerings can change over time; therefore, we cannot assure you that you will always be in the lowest expense share class regardless of whether the shares are purchased through an account at Charles Schwab, through us directly with a mutual fund company, or through TCI and held directly at the mutual fund company.

*Separately-managed account fees:* Clients participating in Managers' separately managed account programs are normally charged various program fees in addition to the advisory fee we charge. Such fees could include the Managers' investment advisory fees, which could be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. A client's portfolio transactions might be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the sponsor, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that can be charged to clients.

*Additional fees & expenses:* In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including our affiliate TCI. These fees include transaction charges imposed by a broker-dealer with which an independent investment manager affects transactions for the client's account(s). Please see "Brokerage Practices" below for additional information.

*Advisory fees in general:* Clients should note that similar advisory services are available from other registered (or unregistered) investment advisors for similar or lower fees.

## **Performance-Based Fees & Side-By-Side Management**

Not applicable.

## **Types of Clients**

We provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Foundations and Endowments

## **Methods of Analysis, Investment Strategies & Risk of Loss**

### **Methods of Analysis**

We use the following methods of analysis in formulating our portfolio management investment advice and/or managing client assets:

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial

factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it could be a good time to buy) or overpriced (indicating it could be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement. Charting is one example of technical analysis. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when and how long the trend may last and when that trend might reverse.

*Mutual Fund and/or ETF Analysis.* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to competently invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Third-Party Money Manager Analysis.* We examine the experience, expertise, investment philosophies, and past performance of independent third-party Managers in an attempt to determine if that Manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the Manager's compliance and business enterprise risks.

A risk of investing with a third-party Manager who has been



successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party Manager's portfolio, there is also a risk that a Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

*Risks for all forms of analysis.* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are vigilant to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

We may use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

*Long-term purchases.* We may recommend securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Short-term purchases.* When utilizing this strategy, we recommend securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

*Margin transactions.* If applicable to your portfolio strategy, we can purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without

selling other holdings. The cost of using margin is set by the broker-dealer of record on your custodial account. Borrowing to invest increases your risks because if the value of the securities purchased with such borrowings declines, you not only incur the investment loss, but you have also incurred the cost to borrow on top of it.

*Option writing.* If applicable to your portfolio strategy, we can use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. We will buy a call if we expect that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we expect that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the downside of a security we have purchased for your portfolio.

We use "covered calls," in which we sell an option on a security you own. In this strategy, you receive a premium for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy," in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

### **Risks Associated with Investments**

*Risk of loss.* Securities investments are not guaranteed and you can lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

*ETFs:* ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Clients, as a shareholder of an investment company, bear their pro-rata portion of the investment company's advisory fee and other expenses. Investing in ETFs involves risk. ETFs, depending on the underlying portfolio and their size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ

leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

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

*Equities:* Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

*Options:* Covered call writing is the sale of in-, at-, or out-of-the money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss. Long put option purchases allow the option holder to sell or "put" the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

Option spreading usually involves the purchase of a call option and the sale of a call option at a higher contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to be exposed to the general market characteristics of a security without the outlay of capital to own the security, and to offset the cost by selling the call option with a higher contract strike price. In this type of transaction, the spread holder "locks in" a maximum profit, defined as the difference in contract prices reduced by the net cost of implementing the spread. There are many variations of option spreading strategies—please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

*Corporate debt securities (other than commercial paper):* Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

*Commercial paper and certificates of deposit:* Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be pre-payment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

*United States governmental securities:* U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

*Municipal securities:* Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

*Warrants:* Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer. Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights,

potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

*Real estate limited partnerships:* Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

Limited partnerships and limited liability companies that hold real estate are subject to all of the risks of holding real estate, including its illiquid nature, dependence upon differing markets and the economic cycles, among others.

*Alternative investments:* Alternative investments, such as commodity pools or private funds, are generally offered only to investors who meet specified suitability, net worth and annual income criteria. Pooled investment vehicles sell securities through private placements and thus are illiquid and subject to a variety of risks that are disclosed in each pooled investment vehicle's confidential private placement memorandum or disclosure document. Investors should read these documents carefully and consult with their professional advisors prior to investing. Because many of the securities involved in pooled investment vehicles do not have transparent trading markets from which accurate and current pricing information can be derived, or in the case of private equity investments where portfolio security companies are privately held with no publicly-traded market, we will be unable to monitor or verify the accuracy of such performance information.

## Disciplinary Information

On March 11, 2019, the Firm consented to the entry of an administrative order issued by the SEC (the "**Order**"), under which the Firm—without admitting or denying any wrongdoing—agreed to disgorge 12b-1 fees the Firm, its FAs and TCI received from mutual funds when Firm clients bought or continued to hold shares of certain mutual funds. According to the Order, the Firm's disclosures respecting such 12b-1 fees did not sufficiently explain our receipt of such fees nor that we may select such mutual fund share classes for clients. Under the terms of the Order, we agreed to certain undertakings respecting our clients' mutual fund share classes, and the SEC censured the Firm and ordered it to cease and desist from any violations of the Investment Advisers Act of 1940.

## Other Financial Industry Activities & Affiliations

Financial Advisors and Planners may be separately licensed as registered representatives of TCI, an affiliated

broker-dealer. These FAs, in their separate capacity, can affect securities transactions for which they will receive separate, yet customary compensation including commissions, concessions and trails. Clients are not under any obligation to engage TCI or FAs in their capacity as TCI representatives when implementing our advisory recommendations. The implementation of any recommendations is solely at the discretion of our clients.

While we and our FAs endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and could affect our FAs' judgment when making recommendations.

Financial Advisors and Planners, in their individual capacities, may also be agents of TCA, an affiliated company. As such, these FAs are able to receive separate, yet customary commission compensation resulting from implementing product transactions on clients' behalf. Clients are not under any obligation to engage TCA or these FAs when implementing our advisory recommendations. The implementation of any or all recommendations is solely at the discretion of our clients.

Clients should be aware that the receipt of additional compensation by our FAs creates a conflict of interest that could impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor to put the interest of our clients first as part of our fiduciary duty as a registered investment advisor, and we take the following steps to address these conflicts:

- we disclose to clients the existence of material conflicts of interest, including the potential for our firm and our associated persons to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our associated persons or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- we require that our associated persons seek prior approval of any outside employment activity so that we can ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our associated persons regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

As discussed above, we may recommend the services of various independent investment advisers to our clients. In exchange for these recommendations, we could (but presently do not) receive a referral fee from the referred investment adviser.

## Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We have adopted a Code of Ethics (the “Code”) which establishes high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. We and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by our “access persons.” Among other things, our Code also requires the prior approval of any acquisition of securities by our personnel in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

Our Code further includes our policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to material, non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code is available to our advisory clients and prospective clients. You can request a copy by email sent to [LaRue.McIntyre@TrustCore.com](mailto:LaRue.McIntyre@TrustCore.com), or by calling us at (615) 377-1177.

Our Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. We and/or our associated persons can buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) can have an interest or position in a certain security(ies) which could also be recommended to a client.

It is our policy that no employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We can aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price, and employee accounts may not be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our Code to

ensure we provide our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or associated person of our Firm can put his or her own interest above the interest of an advisory client.
- Our associated persons may not buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- No employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such persons from benefiting from transactions placed on behalf of advisory accounts.
- We require prior approval for any IPO or private placement investments by our related persons.
- We have established procedures for the maintenance of all required books and records.
- All clients are fully informed that related persons receive separate commission compensation when effecting transactions during the implementation process.
- Non-discretionary clients can decline to implement any advice rendered.
- All of our principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code by each of our supervised persons.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions could be subject to termination.

As disclosed above under “Other Financial Industry Activities & Affiliations,” some of our related persons are separately registered as securities representatives of our affiliated broker-dealer (TCI) and licensed as an insurance agent with an affiliated insurance agency (TCA).

## Brokerage Practices

### Generally

We require that clients provide us with written authority to determine the broker-dealer to use to implement securities trades for their account. Clients must include any limitations on our discretionary authority in a written statement. Clients can change/amend these limitations as required.

### Trade Aggregation & Allocation Practices

We use block trading where possible and when advantageous to clients who have granted us discretionary authority. This bunching of trades permits the trading of aggregate blocks of securities for multiple client accounts, so long as transaction costs are shared equally and on a

pro-rated basis between all accounts included in any such block. Block trading, when available, allows FAs to execute equity trades in a timelier, more equitable manner, at an average share price. Financial Advisors and Planners will typically aggregate trades among clients whose accounts can be traded at the same time. Our block trading policy and procedures are as follows:

- The FAs must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- The FAs must reasonably believe that the order aggregation will benefit, and will enable us to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- Prior to entry of an aggregated order, an order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation can be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation can be made to remove employee account participation in partially-filled orders, to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs, particularly on sell transactions, are generally based on the number of shares traded for each client.
- If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- Our client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold

for, that account.

- Funds and securities for aggregated orders are clearly identified on our records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

Should a client elect to purchase mutual fund shares through our broker/dealer affiliate, TCI, they should be aware that as a registered securities representative of our affiliated firm, TCI and the FA would receive concessions directly from the mutual fund companies based on the share class of a purchased mutual fund. These concessions can include 12b-1 fees. Mutual fund companies offer a variety of share classes with differing fee schedules. The individual fund prospectuses disclose these fee schedules. This creates an inherent conflict of interest as the FA may not elect or may not be able to purchase the cheapest share class for a client. Additionally, cheaper share classes of funds may be available to the client if purchased directly from the mutual fund, through a different broker/dealer or through an investment advisor.

### **Rollovers**

If you are rolling over assets from an employer-sponsored Qualified Retirement Plan ("QRP"), such as a 401(k), to an Individual Retirement Account ("IRA") with us, you should carefully evaluate all choices which are typically available. These four options include: leaving your assets in your former employer's plan (if permitted), rolling over the assets to your new employer's plan (if permitted), rolling your assets to an IRA with us or another firm, or cashing out the account value. You should consider the following factors, among others, in deciding whether to keep assets in a QRP, roll over to an IRA or cash out: investment options, fees & expenses, ability to make penalty-free withdrawals and differences in creditor protection. We have a conflict of interest in connection with a rollover of your assets into an IRA and the investment of the assets with us as opposed to leaving the assets in your former employer's plan or electing one of the other options. The conflict arises because we will likely earn no compensation if you were to leave the assets in your former employer's plan or transfer to your new employer's plan. In addition, the costs of maintaining and investing assets in an IRA with us will generally involve higher costs than the other options available to you. While we typically offer a broader range of investment options and services than an employer-sponsored QRP, there are no guarantees that the additional investment options will outperform your employer-sponsored QRP.

### **The Custodian & Brokers We Use**

We do not maintain custody of your assets on which we advise. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. ("**Schwab**"), a FINRA-registered broker-dealer, member SIPC®, as the qualified custodian.

We are independently owned and operated and not

affiliated Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described below.

### How We Recommend Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- The combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- The capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below under “*Products & Services Available to Us from Schwab*”

### Your Custody & Brokerage Costs

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates for our client accounts were negotiated. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to attempt to minimize your trading costs, we have Schwab execute most trades for your account.

### Products & Services Available to Us From Schwab

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab’s support services:

*Services that benefit you.* Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

*Services that may not directly benefit you.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients’ accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

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

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third

party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

It is our expectation that we will use all of the services provided by Schwab listed above.

## Review of Accounts

*Reviews:* Our FAs are the primary investment advisory account reviewers. As such, they are responsible for adequately monitoring each of their client's accounts. A complete review with the client is expected to be held at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

*Reports:* In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealers or other custodians, we provide periodic reports summarizing account performance, balances and holdings. You should compare any reports we provide to those you receive from your custodian.

## Client Referrals & Other Compensation

We may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this Brochure and a separate disclosure statement. As a matter of firm practice, the advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients unless it is of a *de minimus* value. It is also our policy not to allow our related persons to participate in sales contests that might impact their choice of a product or investment for a client.

As discussed above, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab.

## Custody

We directly debit advisory fees from client accounts when directed by clients. As part of this billing process, we inform the client's custodian of the amount of our fee to be deducted from that client's account. We therefore are deemed to have limited custody of your assets if you authorize us to instruct the custodian to deduct our advisory fees directly from your account.

On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the

custodian does not calculate the amount of the advisory fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe there is an error in their statement.

In addition to the periodic statements that clients receive directly from their custodian, we also provide portfolio performance reports directly to our clients on a periodic basis. We urge our clients to carefully compare the information provided on these statements to their custodial reports to ensure that all account transactions, holdings and values are correct and current.

Because of other relationships in a small amount of advisory accounts, we are deemed to have custody. In these few instances, the accounts are held at a qualified custodian who sends periodic statements to the account holders. These accounts undergo a surprise audit by an independent party on an annual basis.

## Investment Discretion

A client can hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority usually includes the ability to determine the security to buy or sell, and / or determine the amount of the security to buy or sell, without contacting the client.

Clients give us discretionary authority when they sign a discretionary agreement with us, and can limit this authority by giving us written instructions. Clients can also change/amend such limitations by once again providing us with written instructions.

## Voting Client Securities

For client accounts held with our affiliate TCI, we do not vote proxies on clients' behalf. Therefore, although we can provide investment advisory services for client assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities they beneficially own will be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's securities. Clients are responsible for instructing each custodian to forward to the client copies of all proxies and shareholder communications relating to the client's securities. We can provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

For client accounts held at Schwab, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite

effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Conflicts of interest between you and us or a principal of our Firm, regarding certain proxy issues could arise. If we determine that a conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we can disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

## **Financial Information**

Not applicable.



## TrustCore Privacy Policy

This privacy policy pertains to all aspects of business conducted by the TrustCore, LLC family of businesses, including, but not limited to, TrustCore Financial Services, LLC, TrustCore Investments, LLC and TrustCore Insurance Agency, LLC.

### **Collecting Information**

We collect nonpublic personal information from the following sources:

- Applications and documents completed by you and your financial representative
- Your transaction history
- Other sources with your consent

### **Sharing information**

**We do not sell any nonpublic personal information to any marketing companies.** We do not share any personal information unless:

- You authorize or request it
- It is necessary to process a transaction you initiated
- It is permitted or required by law
- It is to companies within our corporate family to provide products and services to you

### **Keeping your nonpublic personal information secure**

Your information is 1) viewed only by authorized employees conducting services or functions on your behalf and 2) protected by physical, electronic and procedural safeguards implemented throughout our company.

### **Our third-party asset custodian partners' privacy policies**

Our third-party asset custodian partner is Charles Schwab & Co. Their privacy policy can be found through the following Web link:

- Schwab – <https://client.schwab.com/secure/cc/nn/security/privacy>

*TrustCore LLC reserves the right to change our privacy policies and procedures at any time. Any changes will be communicated with you as required by law. A copy of our privacy policy may be found on our website, [www.TrustCore.com](http://www.TrustCore.com)*

*Receipt of this Notice does not constitute our acceptance of an application for any product or service.*