

Item 1: Cover Page

Part 2A of Form ADV

Firm Brochure

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Recon Capital Advisors, LLC

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66 Palmer Ave, Suite 49B
Bronxville, NY 10708

phone: 914-346-8550
email: kkelly@reconcapitalpartners.com
website: none

This brochure provides information about the qualifications and business practices of Recon Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at kkelly@reconcapitalpartners.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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

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

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to new regulatory requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4: Advisory Business

A. Description of Your Advisory Firm

Recon Capital Advisors, LLC ("RCA" and/or the "firm"), is a Delaware limited liability company. Recon Capital Partners is the 100 percent owner of RCA. Kevin Kelly and Garrett Paoella are the firm's Managing Members. RCA is a newly formed investment adviser and has not yet offered advisory services.

B. Description of Advisory Services Offered

RCA is an independent asset management firm offering asset management services to individuals and high-net-worth individuals.

B.1. Discretionary Asset Management Services

RCA's investment advisory services consist of its management of client accounts on a discretionary basis. RCA's strategy is an absolute return strategy designed to generate consistently positive returns. This strategy employs investment management techniques which are designed to minimize portfolio risks associated with market volatility, while maximizing returns in any market environment. The strategy is actively managed, employs short and long positions, and focuses on total return. This strategy is not designed to be tax-efficient. For a discussion on structured products and their risks please review Item 8 of this Brochure.

Individually Tailored Asset Management Services: Also, RCA will structure a portfolio based on an assessment of the client's financial situation, return expectations, sensitivity to volatility, and an assessment of the economic and market environment. The client may impose reasonable restrictions concerning the management of his or her account(s).

For its discretionary asset management services, RCA receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this Brochure. In addition, pursuant to the terms of its investment advisory agreement with clients, RCA will remind clients of their obligation to inform RCA of any changes to their financial circumstances, investment objectives or risk tolerance, or of any modifications or restrictions that should be imposed on the management of the client's account. RCA will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives, and tolerance for risk.

B.2. Sub-Advisor Services to Sage Quant

RCA provides discretionary portfolio management services to clients using one or more securities and strategies identified in Item 8 of this Brochure. RCA's advisory services are designed to meet a particular investment goal. RCA provides these services to the Sage Quant ETF Trust (the "Trust"), a mutual fund registered under the Investment Company Act of 1940. RCA serves as the investment manager to the Recon Capital Nasdaq 100 Covered Call ETF (the "ETF Fund"), and continuously manages the fund assets based on the investment goals and

objectives as outlined in the ETF Fund's Prospectus and Statement of Additional Information ("SAI").

A.3. Braddock-Recon Private Fund Advisory Services

The Braddock-Recon Capital REIT Partners LP (the "Braddock-Recon Fund") is a private investment company that has authority to invest in a variety of investments. Recon Capital Partners, LLC ("Adviser") and its affiliates sponsor, manage, and control the operations of the Braddock-Recon Fund, and the Adviser receives fees from the Braddock-Recon Fund for providing it with investment advisory services. These advisory fees include an allocation to the Adviser of a percentage of the Braddock-Recon Fund's net profits, which may create an incentive for the investment adviser to cause the Braddock-Recon Fund to make investments that are riskier or more speculative than would be in the best interest of the Braddock-Recon Fund.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

Affiliate private funds will be managed on the basis of the investment objectives and criteria established in the applicable fund's offering documents.

D. Wrap Fee Programs

RCA does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

RCA is a newly formed investment adviser and currently has \$0 assets under management.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Asset-Based Fee Schedule – Individually Managed Portfolios

As set forth in Schedule A of the investment management agreement, RCA's investment advisory services basic fee schedule is calculated based upon the client's assets under management as follows:

<u>Market Value of Assets</u>	<u>Annual Fee Rate</u>
\$100,000 +	2.95%

RCA requires a minimum account size of \$100,000 for accounts it manages on both a discretionary and non-discretionary basis. RCA, in its sole discretion, may waive the required minimum account size. In general, the firm's fees are not negotiable; however, in rare circumstances, the firm may decide in its own discretion to charge a specific client a fee for investment advisory services that is different than the fees set forth in the basic fee schedule above.

The fees are paid by the client to the firm on a quarterly basis in advance. Compensation to the firm for investment advisory services will be calculated in accordance with Schedule A of the investment management agreement, which may be amended from time to time by RCA upon 30 days' prior written notice to client. Each client is required to provide the qualified custodian of the client's assets written authorization to deduct the quarterly fee described above directly from the client's account(s) upon submission by RCA. Non-payment of fees may result in the liquidation of client's securities if there is insufficient cash in the account(s).

A client investment advisory agreement may be canceled at any time by the client, or by RCA with 30 days' prior written notice to the client. Upon termination of any account, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

A.2. ETF Fund Portfolio Management Sub-Advisor Fees

RCA charges an asset-based fee for this service at 0.60% of assets under management. The fee arrangement, termination, and refund policies are described in the Fund's Prospectus and Statement of Additional Information ("SAI"). Specific advisory fees and expense-related information may be found in the Fund's Prospectus and SAI.

A.3. Braddock-Recon Fund Advisory Fees

Advisory fees for affiliate private funds are currently charged to the applicable private fund and assessed by RCA at 1/12 of 1% of each investor's capital account balance as of the end of each month. In addition, there is an annual performance-based fee equal to 20% of each investor's ratable share of the partnership's profits for such year but only to the extent that such profits exceed such investor's "high water mark" as described in the private fund offering documents.

Please see Item 6 for detailed information. Please note that RCA excludes any investment in an affiliate private fund from its advisory fee calculation detailed in Item 5.A.1. above.

Please be advised that partnership interests are valued in accordance with the criteria detailed in the applicable offering documents and are subject to both subjective and objective valuation criteria. As such, there is an economic incentive for the manager and adviser of such feeder and master funds, including RCA, to value such investments as high as possible.

B. Client Payment of Fees

For individually managed portfolios, RCA's fees will be billed directly to and paid from the client's account by the custodian of the portfolio. RCA will deduct its advisory fees directly from the client's account provided that (i) the client provides written authorization, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

For Braddock-Recon Fund clients, RCA does not deduct its advisory fees. Fees for investment management are billed and paid separately by the Partnership.

C. Additional Client Fees Charged

For individually managed portfolios, all fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using RCA may be precluded from using certain mutual funds because they may not be offered by the client's custodian. A client could invest in a mutual fund or exchange-traded fund directly, without RCA's services. In that case, the client would not receive the services provided by RCA, 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 RCA's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

For Braddock-Recon Fund clients, in addition to RCA's advisory fees, the fund is responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including but not limited to any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information. All fees paid to RCA for investment advisory services are separate and distinct from the fees and expenses

charged by mutual funds and/or ETFs. These fees and expenses are described in each fund's offering documents. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both the fees charged by the funds and RCA's fees to fully understand the total amount of fees to be paid by the fund and to thereby evaluate the advisory services being provided.

D. Prepayment of Client Fees

For individually managed portfolios, RCA requires the prepayment of its advisory fees on a quarterly basis. RCA's fees will either be paid directly by the client or disbursed to RCA by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account. A client investment advisory agreement may be canceled at any time by the client, or by RCA with 30 days' prior written notice to the client. Upon termination of any account, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

For Braddock-Recon Fund, the firm does not require the prepayment of advisory fees. RCA's fees will be disbursed to RCA by the fund.

E. External Compensation for the Sale of Securities to Clients

RCA's members are compensated solely through advisory fees paid by its clients. RCA is not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

For RCA's affiliate funds, there is a performance-based fee allocation. Performance-based fees are allowed only under certain specific conditions regarding the client account, such as for "qualified clients" as defined in the Investment Advisers Act of 1940.

Qualified clients must meet one of the categories below:

- A natural person who or a company that immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser;
- A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
 - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000, excluding the value of the residence at the time the contract is entered into; or
 - Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
 - A natural person who immediately prior to entering into the contract is:
 - An executive officer, director, trustee, general partner, or person serving in similar capacity, of the investment adviser; or
 - An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Advisory fees for affiliate private funds are currently charged to the applicable private fund and assessed by RCA at 1/12 of 1% of each investor's capital account balance as of the end of each month. In addition, there is an annual performance-based fee equal to 20% of each investor's ratable share of the partnership's profits for such year but only to the extent that such profits exceed such investor's "high water mark" as described in the fund offering documents. Please note that RCA excludes any investment in an affiliate private fund from its advisory fee calculation detailed in Item 5.A.1. above.

The performance fee calculation may create an incentive for RCA to make investments that entail a greater degree of risk or are more speculative than would be the case in the absence of a performance fee.

Item 7: Types of Clients

RCA offers its investment services to individuals and high-net-worth individuals. RCA requires a minimum account size of \$100,000 for accounts it manages on a discretionary basis. RCA, in its sole discretion, may waive the required minimum account size.

In addition, RCA offers advisory services to affiliate private funds. The minimum investment for such funds is \$250,000 and can only be offered to qualified investors under Investment Advisers Act of 1940 rule 205(3) or to qualified purchasers as defined under Section 3(c)7 of the Investment Company Act of 1940.

In addition, RCA may act as a sub-adviser for exchange-traded funds. Minimum initial and ongoing investment requirements are disclosed in the fund's prospectus and SAI.

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

A. Methods of Analysis and Investment Strategies

RCA and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria. In addition, RCA reviews research material prepared by others, reviews corporate filings, corporate rating services, and a variety of financial publications.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to attempt to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

RCA may retain independent third parties to work in conjunction with its executive management team to provide input and guidance for the investment direction communicated by the firm. Such third-party providers will function as a de facto investment committee.

Investing in securities involves risk of loss that clients should be prepared to bear.

A.1. Material Risks of Investment Instruments

The investment vehicles most commonly purchased for RCA's clients are structured products. Many of these investments can be purchased directly by clients without utilizing the services of an advisor. RCA typically invests in structured products for the vast majority of its clients. However, for certain clients, RCA may effect transactions in the following types of securities:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Inverse exchange-traded funds
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities

- Private placements
- Option contracts on securities
- Pooled investment vehicles
- Structured products
- Government and agency mortgage-backed securities
- Corporate debt obligations
- Mortgage-backed securities
- Collateralized obligations

A.1.a. Equity Securities

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.

A.1.b. Warrants and Rights

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.

A.1.c. Mutual Fund Securities

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.

A.1.d. Exchange-Traded Funds ("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. Some examples of ETFs are SPDRs[®], streetTRACKS[®], DIAMONDSSM, NASDAQ 100 Index Tracking StockSM ("QQQsSM"), iShares[®] and VIPERs[®]. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its 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., employing 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.

A.1.e. Inverse Exchange-Traded Funds

An inverse ETF is an exchange-traded fund that is constructed by using various derivatives for the purpose of profiting from a decline in the value of the ETF's underlying benchmark. Investing in inverse ETFs is similar to holding a short position, which profits from a decline in the security or incurs a loss when the security increases in value. An inverse ETF profits when the market or a particular market segment pegged to the ETF declines in value, and suffers a loss when the market or a particular market segment increases in value. Inverse ETFs may involve leverage, and such leverage can exacerbate the risk of loss because of the multiplier effect when leverage is utilized.

A.1.f. Corporate Debt, Commercial Paper and Certificates of Deposit

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 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 prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

A.1.g. 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.

A.1.h. U.S. Government 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.

A.1.i. Private Placements

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. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business, or require additional capital to complete another phase in their growth objective. 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 are thus illiquid and cannot be readily converted to cash.

A.1.j. Options on Securities

A call option is a contract under which the purchaser of the call option, in return for a premium paid, has the right to buy the security (or index) underlying the option at a specified price at any time during the term of the option. The writer of the call option, who receives the premium, has the obligation upon exercise of the option to deliver the underlying security against payment of the exercise price. A put option gives its purchaser, in return for a premium, the right to sell the underlying security at a specified price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy, upon exercise of the option, the underlying security (or a cash amount equal to the value of the index) at the exercise price.

The amount of a premium received or paid for an option is based upon certain factors, including the market price of the underlying security, the relationship of the exercise price to the market price, the historical price volatility of the underlying security, the option period and interest rates.

A.1.k. Pooled Investment Vehicles

A pooled investment vehicle, such as a commodity pool or investment company, is 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 committing investment dollars. 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, RCA will be unable to monitor or verify the accuracy of such performance information.

A.1.l. Structured Products

Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation.

Investment in structured products includes significant risks, including valuation, liquidity, price, credit and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.

Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

A.1.m. Government and Agency Mortgage-Backed Securities

The principal issuers or guarantors of mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, a wholly owned U.S. government corporation within the Department of Housing and Urban Development ("HUD"), creates pass-through securities from pools of government-guaranteed (Farmers' Home Administration, Federal Housing

Authority or Veterans Administration) mortgages. The principal and interest on GNMA pass-through securities are backed by the full faith and credit of the U.S. government.

FNMA, which is a U.S. government-sponsored corporation owned entirely by private stockholders that is subject to regulation by the secretary of HUD, and FHLMC, a corporate instrumentality of the U.S. government, issue pass-through securities from pools of conventional and federally insured and/or guaranteed residential mortgages. FNMA guarantees full and timely payment of all interest and principal, and FHLMC guarantees timely payment of interest and ultimate collection of principal of its pass-through securities. Mortgage-backed securities from FNMA and FHLMC are *not* backed by the full faith and credit of the U.S. government.

A.1.n. Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, RCA may invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

A.1.o. Mortgage-Backed Securities

Mortgage-backed securities represent interests in a pool of mortgage loans originated by lenders such as commercial banks, savings associations, and mortgage bankers and brokers. Mortgage-backed securities may be issued by governmental or government-related entities, or by nongovernmental entities such as special-purpose trusts created by commercial lenders.

Pools of mortgages consist of whole mortgage loans or participations in mortgage loans. The majority of these loans are made to purchasers of between one and four family homes. The terms and characteristics of the mortgage instruments are generally uniform within a pool but may vary among pools. For example, in addition to fixed-rate, fixed-term mortgages, RCA may purchase pools of adjustable-rate mortgages, growing equity mortgages, graduated payment mortgages and other types. Mortgage poolers apply qualification standards to lending institutions, which originate mortgages for the pools as well as credit standards and underwriting criteria for individual mortgages included in the pools. In addition, many mortgages included in pools are insured through private mortgage insurance companies.

Mortgage-backed securities differ from other forms of fixed-income securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or on specified call dates. Most mortgage-backed securities, however, are pass-through securities, which means that investors receive payments consisting of a pro rata share of both principal and interest (less servicing and other fees), as well as unscheduled prepayments as loans in the underlying mortgage pool are paid off by the borrowers. Additional prepayments to holders of these securities are caused by prepayments resulting from the sale or foreclosure

of the underlying property or refinancing of the underlying loans. As prepayment rates of individual pools of mortgage loans vary widely, it is not possible to accurately predict the average life of a particular mortgage-backed security. Although mortgage-backed securities are issued with stated maturities of up to 40 years, unscheduled or early payments of principal and interest on the mortgages may shorten considerably the securities' effective maturities.

A.1.p. Collateralized Obligations

Collateralized mortgage obligations ("CMOs") are collateralized by mortgage-backed securities issued by GNMA, FHLMC or FNMA ("mortgage assets"). CMOs are multiple-class debt obligations. Payments of principal and interest on the mortgage assets are passed through to the holders of the CMOs as they are received, although certain classes (often referred to as "tranches") of CMOs have priority over other classes with respect to the receipt of mortgage prepayments. Each tranche is issued at a specific or floating coupon rate and has a stated maturity or final distribution date. Interest is paid or accrues in all tranches on a monthly, quarterly or semi-annual basis. Payments of principal and interest on mortgage assets are commonly applied to the tranches in the order of their respective maturities or final distribution dates, so that generally no payment of principal will be made on any tranche until all other tranches with earlier stated maturity or distribution dates have been paid in full.

Collateralized debt obligations ("CDOs") include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust that is backed by a diversified pool of high-risk, below-investment-grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

A.2. ETF Portfolio Holdings Information

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Fund's SAI.

B. Investment Strategy and Method of Analysis Material Risks

B.1. Principal Investment Strategies

The firm may seek to achieve its clients' investment objectives using one or more of the following strategies:

- **Absolute Return Strategy.** RCA utilizes strategies and investment techniques aimed to produce risk-adjusted returns and absolute returns over a full market cycle while managing risk exposure. These strategies are common hedge fund-type strategies and may attempt to exploit disparities or inefficiencies in markets, geographical areas, and companies; take advantage of security mispricings or anticipated price movements; and/or benefit from cyclical themes and relationships or special situations and events (such as spin-offs or reorganizations). Such strategies may have low sensitivity to

traditional markets because they seek opportunities and risks that are unrelated to traditional markets.

RCA pursues its investment objective by aiming to provide exposure to several strategies often referred to as “absolute return” strategies. Utilizing a well-diversified portfolio of instruments, RCA seeks exposure to the following sub-strategies: convertible arbitrage, event driven arbitrage, fixed income arbitrage, equity market neutral, and long/short equity. Through exposure to these sub-strategies, RCA attempts to generate positive absolute returns over time. RCA implements these sub-strategies by investing in publicly traded ETFs, ETNs, or open-end mutual funds that are linked to a specific index, along with fixed-income securities, as part of the overall absolute return strategy.

RCA, at its sole discretion, will determine how to allocate its hedge fund exposure with respect to investments made in connection with the replication strategy. The allocation weightings may vary from time to time depending on market conditions and other factors.

- **Convertible Arbitrage.** Convertible arbitrage strategies seek to profit from the complexity of the pricing of convertible bonds (which contain elements of both a fixed-income security and an equity option) by structuring trades using multiple securities within the capital structure of a convertible bond issuer.
- **Equity Market Neutral.** Equity market neutral strategies seek to exploit investment opportunities unique to some specific group of stocks while maintaining a neutral exposure to broad groups of stocks defined, for example, by sector, industry, market capitalization, country, or region. This strategy holds long/short equity positions, with long positions hedged with short positions in the same and related sectors, which attempts to minimize the effect of sector-wide events on the equity market neutral investor.
- **Event Driven.** Event driven strategies seek to profit from investing in the securities of companies based not on a value or growth investment style but rather on the basis that a specific event or catalyst will affect future prices. This sub-strategy attempts to capitalize on price discrepancies and returns generated by corporate activity including merger arbitrage.
- **Fixed Income Arbitrage.** Fixed income arbitrage strategies seek to profit from exploiting mispricings of various liquid fixed income or interest rate-sensitive securities. This sub-strategy seeks to provide long and short exposure to bond and currency markets, long and short exposure to investment-grade credit markets, and long and short exposure to forward mortgage-backed securities.
- **Long/Short Equity.** Long/short equity strategies seek to provide long and short exposure to a diversified portfolio of equities which involves simultaneously investing in equities (i.e., investing long) that the strategy expects to increase in value and immediately selling equities (i.e., short selling) that the strategy expects to decrease in value. Long/short equity ETFs and ETNs may maintain a variety of weightings of industry exposures and also seek to exploit pricing inefficiencies between related securities.

B.2. Margin Leverage

Although RCA, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, RCA will utilize leverage. In this regard please review the following:

The use of leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts have a minimum equity requirement when clients utilize leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to satisfy a margin deposit or withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.3. Short Term Trading

Although RCA, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.4. Short Selling

RCA generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

B.5. Swap Agreements

RCA may enter into swap agreements for purposes of attempting to gain exposure to equity or debt securities without actually purchasing those securities, or to hedge a position. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a day to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested in a "basket" of securities representing a particular index.

Because they are two-party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid. RCA will not enter into any swap agreement unless the firm believes that the other party to the transaction is creditworthy.

B.6. Option Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

RCA as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Option spreading
- Short call option strategy
- Short put option strategy
- Equity collars
- Long straddles

B.6.a. Covered Call Writing

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.

B.6.b. Long Call Option Purchases

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.

B.6.c. Long Put Option Purchases

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.

B.6.d. Option Spreading

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.

B.6.e. Short Call Option Strategy

Short call option strategy is highly speculative and has theoretical potential for unlimited loss. The seller (writer) of the call option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain below the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security increase above the contract strike price, then the option writer can either purchase the call option at a loss, or through a process of exercise and assignment be forced to sell the stock at the contract strike price. If this happens, the option writer will have to go in the open market and buy an equivalent amount of stock to cover the sale at prices that can be materially higher than the amount received from the sale.

B.6.f. Short Put Option Strategy

Short put option strategy is highly speculative and has theoretical potential for significant loss. The seller (writer) of the put option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain above the contract

strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security decrease below the contract strike price, the option writer can either purchase the put option at a loss, or through a process of exercise and assignment be forced to buy the stock at the contract strike price. If this happens, the option writer will be purchasing the underlying security at a price potentially well above its then-current market value, exposing the investor to potential loss.

B.6.g. Equity Collar

A collar combines both a cap and a floor. A cap gives the purchaser of the cap the right (for a premium payment), but not the obligation, to receive the difference in the cost on some amount when a specified index rises above the specified "cap rate." A floor is the opposite of a cap—it gives the purchaser of the floor the right (for a premium payment), but not the obligation, to receive the difference in interest payable on an amount when a specified index falls below the specified "floor rate." A collar involving stock is called an "equity collar." In a collar transaction, the buyer of the collar purchases a cap while selling a floor indexed to the same rate or asset. A zero-cost collar results when the premium earned by selling a floor exactly offsets the cap premium.

B.6.h. Long Straddle

A long straddle is the purchase of a long call and a long put with the same underlying security, expiration date and strike price. This is a speculative trade that may be profitable when volatility is high and will result in a loss when prices of the underlying security are relatively stable.

C. Security-Specific Material Risks

There is an inherent risk for clients and funds that have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients and funds that have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

RCA invests in a diversified portfolio of equity and fixed-income securities. Please refer to Item 8.A. (above).

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item.

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

RCA is not registered as a broker-dealer and does not have an application pending. Neither Kevin Kelly nor Garrett Paoletta is registered as a representative of a broker-dealer.

B. Futures or Commodity Registration

Neither RCA nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

C.1. Braddock-Recon Capital REIT Partners LP

The Braddock-Recon Capital REIT Partners LP (the "Braddock-Recon Fund") is a private investment company that has authority to invest in a variety of investments. Recon Capital Partners, LLC ("Adviser") and its affiliates sponsor, manage, and control the operations of the Braddock-Recon Fund, and the Adviser receives fees from the Braddock-Recon Fund for providing it with investment advisory services. These advisory fees include an allocation to the Adviser of a percentage of the Braddock-Recon Fund's net profits, which may create an incentive for the investment adviser to cause the fund to make investments that are riskier or more speculative than would be in the best interest of the Braddock-Recon Fund.

C.2. Recon Capital Management, LLC

Recon Capital Management, LLC, is the "General Partner" of the Braddock-Recon Fund and is an affiliate of the Adviser. The General Partner has the power to take actions that could directly or indirectly provide advantages to the General Partner, potentially to the disadvantage of investors in the Braddock-Recon Fund. This includes certain authority of the General Partner to modify, interpret, or limit the terms of the documents that define the rights and obligations of investors, the General Partner, and the Adviser in connection with the Braddock-Recon Fund. The General Partner addresses such potential conflicts of interest primarily by disclosing them to investors, as well as seeking to avoid exercising such authority in a way that would unfairly disadvantage any investors.

C.3 Sage Quant ETF Trust

RCA provides discretionary portfolio management services to clients using one or more securities and strategies identified in Item 8 of this Brochure. RCA's advisory services are designed to meet a particular investment goal. RCA provides these services to the Sage Quant ETF Trust (the "Trust"), a mutual fund registered under the Investment Company Act of 1940. RCA serves as the investment manager to the Recon Capital Nasdaq 100 Covered Call ETF (the

"ETF Fund"), and continuously manages the fund assets based on the investment goals and objectives as outlined in the ETF Fund's Prospectus and Statement of Additional Information ("SAI").

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

RCA does not recommend investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

A. Code of Ethics Description

RCA has a Code of Ethics that its members are required to follow. The Code of Ethics outlines proper conduct related to all services provided to clients. The firm's members regularly evaluate their performance to ensure compliance with the Code of Ethics. In general, the Code of Ethics consists of the following core principles:

1. The interests of clients will be placed ahead of the firm's or members' own investment interests.
2. The members are expected to conduct their personal securities transactions in accordance with the firm's personal trading policy and will strive to avoid any actual or perceived conflict of interest with the clients.
3. The members will not take inappropriate advantage of their position with the firm.
4. The members are expected to act in the best interest of each of the firm's clients.
5. The members are expected to comply with state and federal securities laws.

A copy of the Code of Ethics is available to any client or prospective client upon request.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

RCA does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, RCA does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

RCA, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which RCA specifically prohibits. RCA has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- prohibit front-running, and
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow RCA's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

RCA, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other RCA clients. RCA will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of RCA to place the client's interests above those of RCA and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions for Non-Fund client transactions,

A.1. Custodian Recommendations

RCA considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

RCA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although RCA may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. RCA is independently owned and operated and not affiliated with Schwab. Clients are advised that there is a potential conflict of interest as RCA may have an incentive to recommend Schwab based on its own interests rather than the clients'. Clients are also advised that RCA places the clients' interests above those of RCA.

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

A.1.a. How We Select Brokers/Custodians to Recommend

RCA seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- 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, exchange-traded 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

A.1.b. Soft Dollar Arrangements

RCA generally receives research and services provided by broker-dealers from third-party vendors or by requesting that a broker-dealer step-out client trades or pay research credits to broker-dealers or vendors who produce research products or services. RCA may also trade directly with a broker-dealer who produces research or brokerage services. Selection of these broker-dealers is not made pursuant to an agreement; however, RCA utilizes an internal allocation procedure to identify those brokers or dealers who produce research or services that are provided to RCA and endeavors to direct sufficient research credits generated by its clients' accounts to such brokers or dealers to ensure the continued receipt of the research and services that RCA believes are valuable. To the extent RCA utilizes client transactions to obtain information RCA might otherwise acquire at its own expense, RCA may have an incentive to place a greater volume of transactions or pay higher commissions.

The research and brokerage services provided to RCA may be proprietary or produced by third parties. The research and brokerage services are used by RCA in making investment decisions or trading for client accounts and constitute advice, either directly or through publications or writings, as to the value of securities, the advisability of investing, purchasing, or selling securities, and the availability of securities or purchasers and sellers of securities. They include analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategies, and meetings where corporate executives are present to provide information on the performance of their companies. They may also include statistical analysis, data and data services, software and computer programs utilized for research and portfolio analysis, trade analytics, market research, and brokerage services relating to execution, clearing, and settlement of transactions. In some cases, products and services may be provided to RCA that constitute both (i) research and brokerage services and (ii) services used for administrative or other functions not related to the investment decision-making or brokerage processes. In such cases, the allocation will generally be made on the basis of the percentage of time devoted to RCA's use of the product for research vs. non-research applications, or such other appropriate measure of the value of the product for each use as the Compliance Officer determines to be appropriate, both initially and upon subsequent periodic review.

Research products or services provided by brokers may be used in servicing any or all of the clients of RCA, and such research products or services may not necessarily be used by RCA in connection with the accounts that paid commissions to the brokers providing such products or services. For various reasons, including differing investment strategies and directed brokerage arrangements, products and services may benefit clients that do not execute transactions generating research or brokerage credits. Brokerage for a related party account and the firm's capital account is directed to a broker providing custody for the accounts; these accounts do not generate research or brokerage credits. Clients that direct brokerage may establish commission recapture programs where services are received directly by the client account in return for brokerage generated by that account.

As indicated above, individual clients may direct RCA (subject to certain conditions which may from time to time be imposed by RCA) to effect portfolio transactions through specific brokers or dealers. A client who chooses to direct the use of a particular broker or dealer should consider whether such a direction may result in certain costs or disadvantages to the client, either because the client may pay higher commissions on some transactions than might otherwise be obtainable by RCA, or may receive less favorable executions on some transactions, or both. The ability of RCA to negotiate commission rates with directed brokers will be limited. A client who directs brokerage may also be subject to the disadvantages discussed in Item 12.B.3 below regarding aggregation of orders. In determining whether to instruct RCA to utilize a particular broker or dealer, the client may wish to compare the possible costs or disadvantages of such an arrangement with the value of the services provided.

A.1.c. Institutional Trading and Custody Services

Schwab provides RCA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's clients' assets are maintained in accounts at Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Recon has entered into an agreement with Schwab whereby Schwab will reimburse client transfer exit fees provided clients transfer their accounts to Schwab within a specified timeframe. This creates an economic incentive for Recon to recommend Schwab over other custodians. Clients are advised that there is a potential conflict of interest as RCA may have an incentive to recommend Schwab based on its own interests rather than the clients'. Clients are also advised that RCA places the clients' interests above those of RCA.

A.1.d. Other Products and Services

Schwab also makes available to RCA other products and services that benefit RCA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of RCA's accounts, including accounts not maintained at Schwab. Schwab also makes available to RCA managing and administering software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of RCA's fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Schwab also offers other services intended to help RCA manage and further develop its business enterprise. These services may include

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

Schwab may also provide other benefits such as educational events or occasional business entertainment of RCA personnel. In evaluating whether to recommend that clients custody their assets at Schwab, RCA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

A.1.e. Independent Third Parties

Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to RCA. Schwab may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to RCA.

A.1.f. Additional Compensation Received from Custodians

RCA may participate in institutional customer programs sponsored by broker-dealers or custodians. RCA may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between RCA's participation in such programs and the investment advice it gives to its clients, although RCA receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving RCA participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to RCA by third-party vendors

The custodian may also pay for business consulting and professional services received by RCA's related persons, and may pay or reimburse expenses (including travel, lodging, meals and

entertainment expenses for RCA's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit RCA but may not benefit its client accounts. These products or services may assist RCA in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help RCA manage and further develop its business enterprise. The benefits received by RCA or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

RCA also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require RCA to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, RCA will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by RCA's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for RCA's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, RCA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by RCA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence RCA's recommendation of broker-dealers such as Schwab for custody and brokerage services.

A.2. Brokerage for Client Referrals

RCA does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

A.3.a. RCA Recommendations

For individually managed portfolios, RCA typically recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

For Fund clients, RCA utilizes a variety of executing broker-dealers to effect fund securities transactions in accordance with its best execution obligations detailed in Item 12 C.1. above.

A.3.b. Client-Directed Brokerage

Occasionally, clients may direct RCA to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage RCA derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. RCA loses the ability to aggregate trades with other RCA advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

RCA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Such accounts will be prime broker eligible so that if and when the need arises to effect securities transactions at broker-dealers ("executing brokers") other than with the current custodian, such custodian will accept delivery or deliver the applicable security from/to the executing broker. Schwab charges a "trade away" fee which is charged against the client account for each "trade away" occurrence. Other custodians have their own policies concerning prime broker accounts and trade away fees. Please consult your current custodian for their policies and fees.

RCA, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, the price of such securities, the executing broker, and the commission rates to be paid to effect such transactions. RCA recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. RCA will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation, and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance, and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, RCA seeks to ensure that clients receive best execution with respect to the clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of RCA's knowledge, these custodians provide high-quality execution, and RCA's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own

knowledge of the securities industry, RCA believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.1.a. Non-Fund Client Transactions

RCA may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Such accounts will be prime broker eligible so that if and when the need arises to effect securities transactions at broker-dealers ("executing brokers") other than with the current custodian, such custodian will accept delivery or deliver the applicable security from/to the executing broker. Schwab charges a "trade away" fee which is charged against the client account for each "trade away" occurrence. Other custodians have their own policies concerning prime broker accounts and trade away fees. Please consult your current custodian for their policies and fees.

B.1.b. Fund Client Transactions

RCA seeks "best execution" for all portfolio transactions. This means that RCA seeks the most favorable price and execution available. The Fund may not always pay the lowest commission or spread available; rather, in determining the amount of commissions (including certain dealer spreads) paid in connection with securities transactions, RCA takes into account factors such as size of the order, difficulty of execution, efficiency of the executing broker's facilities (including the research services described below), and any risk assumed by the executing broker. RCA may also utilize a broker and pay a slightly higher commission if, for example, the broker has specific expertise in a particular type of transaction (due to factors such as size or difficulty) or is efficient in trade execution.

RCA may also give consideration to brokerage and research services furnished by brokers to RCA and may cause the Fund to pay these brokers a higher amount of commission than may be charged by other brokers. Research is designed to augment RCA's own internal research and investment strategy capabilities. This research may include reports that are common in the industry, such as industry research reports and periodicals, quotation systems, software for portfolio management, and formal databases. Typically, the research will be used to service all of RCA's accounts, although a particular client may not benefit from all the research received on each occasion. RCA's fees are not reduced by reason of RCA's receipt of research services. Since most of RCA's brokerage commissions for research are for economic research on specific companies or industries, and since RCA follows a limited number of securities, most of the commission dollars spent for industry and stock research directly benefit RCA's clients and the Fund's investors.

RCA places orders for the purchase and sale of securities with broker-dealers selected by and in the discretion of RCA. The Fund does not have any obligation to deal with a specific broker or dealer in the execution of portfolio transactions. Allocations of transactions to brokers and dealers and the frequency of transactions are determined by RCA in its best judgment and in a manner deemed to be in the best interest of the Fund rather than by any formula.

B.2. Security Allocation

Since RCA may be managing accounts with similar investment objectives, RCA may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by RCA in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. Such aggregate orders may include transactions for accounts for employee benefit plans and private investment vehicles, such as limited partnerships or limited liability companies, in which RCA, its affiliates, principals, or employees are among the investors.

RCA's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account clients' best interests. RCA will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

RCA's advice to certain clients and entities and the action of RCA for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines, and circumstances. Thus, any action of RCA with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of RCA to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if RCA believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

RCA acts in accordance with its duty to seek best price and execution and will not continue any arrangements if it determines that such arrangements are no longer in the best interest of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

For individually managed portfolios, accounts are reviewed by RCA's Managing Member, Kevin Kelly. The frequency of reviews is determined based on the client's investment objectives, with reviews conducted no less frequently than annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

For ETF Fund clients, RCA continually reviews and monitors the fund's holdings in accordance with the investment objectives as detailed in the fund prospectus and SAI. RCA's portfolio manager reviews securities activity for the fund daily to ensure that investments are made in conformity with the fund's investment objectives and investment strategies, and that all activity is in compliance with the fund's prospectuses and requirements promulgated under the Investment Company Act of 1940 as well as the Investment Advisers Act of 1940.

For Braddock-Recon Fund clients, RCA continually reviews and monitors the applicable fund's holdings in accordance with the investment objectives as detailed in the fund offering documents. RCA's portfolio manager reviews securities activity for the fund daily to ensure that investments are made in conformity with the fund's investment objectives and investment strategies.

B. Review of Client Accounts on Non-Periodic Basis

For individually managed portfolios, RCA may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how RCA formulates investment advice.

For ETF Fund clients, RCA's portfolio manager and/or CCO may perform ad hoc reviews on an as-needed basis if there have been material changes in the Fund's investment objectives or investment strategies or in the event of unstable markets.

For Braddock-Recon Fund clients, RCA's portfolio manager and/or CCO may perform ad hoc reviews on an as-needed basis if there have been material changes in the fund's investment objectives or investment strategies or in the event of unstable markets.

C. Content of Client-Provided Reports and Frequency

For individually managed portfolios, all investment advisory clients receive customized performance reports of their accounts as well as comparative performance of underlying benchmark market indices and of their benchmark composite index on a quarterly basis. Investment advisory clients also receive standard account statements from the custodian of their accounts no less frequently than quarterly. The custodian's statement is the official record of the

client's securities account and supersedes any statements or reports created on behalf of the client by RCA.

For ETF Fund clients, RCA provides reports to the Trust and Directors of the fund on a quarterly basis. Such reports include investment performance of each fund, and information on operational and compliance related matters.

For Braddock-Recon Fund clients, RCA's fund custodian provides transaction and portfolio holdings reports to the fund no less frequently than quarterly. In addition, the fund is subject to annual GAAP audit.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

RCA receives an economic benefit from Schwab in the form of the support products and services it makes available to RCA and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit RCA, and the related conflicts of interest are described in Item 12 – Brokerage Practices. The availability of Schwab's products and services is not based on RCA giving particular investment advice, such as buying particular securities for RCA clients.

B. Advisory Firm Payments for Client Referrals

RCA does not make payment for client referrals.

Item 15: Custody

Clients (individual and private fund clients) will receive at least quarterly account statements directly from their qualified custodian containing a description of all activity, cash balances, and portfolio holdings in the client's account. Clients should carefully review statements received from the custodian and compare the account balance(s) shown on their RCA account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

For individually managed portfolios, clients may grant a limited power of attorney to RCA with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, RCA will exercise full discretion as to the nature and type of securities to be purchased and sold, the price and the amount of securities for such transactions, the executing broker to be used, and the commissions paid to effect securities transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

For ETF Fund clients, the Fund grants a limited power of attorney to RCA with respect to trading activity in Fund accounts pursuant to an investment advisory agreement between RCA and the Trust. RCA will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used. Investment limitations may be designated by the Trust as outlined in the investment advisory agreement.

For Braddock-Recon Fund clients, the fund grants a limited power of attorney to RCA with respect to trading activity in fund accounts pursuant to an investment advisory agreement between RCA and the fund. RCA will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the amount of commissions to be paid, and the executing broker to be used.

Item 17: Voting Client Securities

RCA votes proxies for all client accounts; however, clients always have the right to vote proxies themselves. They can exercise this right by instructing RCA in writing to not vote proxies in their account.

RCA will vote proxies in the best interests of the clients and in accordance with the firm's established policies and procedures. RCA will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by RCA that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the firm voted proxies. If there is a conflict of interest in voting a particular action, RCA will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of the firm's complete proxy voting policies and procedures by contacting RCA's Managing Member, Kevin Kelly, by telephone, email, or in writing. Clients may request, in writing, information on how proxies for their shares were voted. If any client requests a copy of RCA's complete proxy policies and procedures or how the firm voted proxies for his/her account(s), RCA will promptly provide such information to the client.

RCA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct RCA to transmit copies of class action notices to the client or a third party. Upon such direction, RCA will make commercially reasonable efforts to forward such notices in a timely manner.

Clients can instruct RCA to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover) These requests must be made in writing. If clients have any questions regarding a proxy situation, they may call or write to the firm. Clients can also instruct the firm on how to cast their vote in a particular proxy contest by contacting RCA as follows:

Recon Capital Advisors, LLC
66 Palmer Ave, Suite 49B
Bronxville, NY 10708
914-346-8550

Item 18: Financial Information

A. Balance Sheet

RCA does not require the prepayment of fees of \$500 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

RCA does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.