

Rule One Partners, LLC

Firm Brochure -Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Rule One Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (855) 687-7853 or by email at: mtown@ruleoneinvesting.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Rule One Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Rule One Partners, LLC's CRD number is: 166341

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Rule One Partners, LLC on 06/12/2018 are described below. Material changes relate to Rule One Partners, LLC's policies, practices or conflicts of interests only.

- The Form ADV, including this brochure, has been updated throughout to reflect that Rule One Partners, LLC is transitioning from a state-registered adviser to an SEC-registered adviser and will advise an SEC-registered investment company.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Rule One Partners, LLC is a Limited Liability Company formed in June of 2013 and organized in the state of Wyoming. The entity initially became registered with the U.S. Securities and Exchange Commission (“SEC”) in January 2013 and then transitioned to state-level registration, becoming registered with its home state of Georgia in September 2014. Subsequently, the firm transitioned back to SEC registration. The principal owner is Philip Bradley Town.

B. Types of Advisory Services

Rule One Partners, LLC (hereinafter “ROP”) offers the following services to advisory clients:

Investment Supervisory Services

ROP will be providing investment advice to various clients based on an SMA (separately managed account) business model. ROP attempts to find securities that are significantly underpriced relative to their intrinsic value as determined by one or more of the following methods: discounted cash flow, payback time of capital, tangible book value or industry comparisons. ROP looks for underpricing relative to value from a significant change/event that affects one or more of the following: the macro environment, the industry or the company.

ROP provides investment supervisory services to the Rule One Fund, an investment company (also referred to as a “mutual fund”), a series of Northern Lights Fund Trust IV (the “Trust”), a Delaware Statutory Trust registered under the Investment Company Act of 1940 (the “1940 Act”). With regard to the Rule One Fund, under the terms of its management contract with the Fund, ROP acts as investment adviser and, subject to the supervision of the Trust’s Board of Trustees, has overall responsibility for directing the investments of the Rule One Fund in accordance with its investment objective, policies and restrictions as provided in its registration statement filed with the SEC. Rule One or certain unaffiliated service providers provide all necessary office facilities and personnel for servicing the Rule One Fund’s investments.

ROP offers ongoing portfolio management services to clients based on individual Investment Policy Statements that will outline the client’s current situation, risk tolerance levels and other investment profile information. Then a plan will be constructed to aid the client in the selection of various model portfolios in an individual SMA for each client. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy

- Asset allocation
- Risk tolerance
- Asset selection
- Regular portfolio monitoring

ROP evaluates the current investments of each client's SMA with respect to the risk tolerance levels, time horizon, and other profile information. ROP will request discretionary authority from the client in order to select securities and execute transactions on behalf of the client. ROP will charge the client a management fee based on a percentage of assets under management as detailed below.

Services Limited to Specific Types of Investments

ROP generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, option (for Rule One Capital LP) insurance products including annuities, private placements, and government securities. ROP may use other securities as well to help diversify a portfolio when applicable.

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.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However if ROP feels, in its sole determination, that a client's restrictions will prevent the ROP from providing the services it feels are necessary to fulfill its fiduciary obligations, then ROP may terminate the Adviser/client relationship.

The hedge fund only allows qualified investors to participate and has detailed its own investment parameters in the funds offering documents.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. ROP does not participate in any wrap fee programs.

E. Amounts Under Management

As of December 2017, ROP has assets under management of approximately \$6,946,134.00, all of which are managed on a discretionary basis.

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Advisory Fees for Separately Managed Accounts

| Total Assets | Annual Management Fee |
|--------------|-----------------------|
| All Assets | 2.00% |

These fees are non-negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with forty five days' written notice. Because fees are charged in arrears, no refund policy is necessary.

ROP does not charge performance-based fees or other fees based on a share of capital gains or capital appreciation to individual separately managed accounts.

Advisory Fees for Hedge Fund

| Total Assets | Annual Management Fee | Annual Performance-Based Fee |
|--------------|-----------------------|------------------------------|
| All Assets | 0% | 20% |

Only qualified investors are allowed to participate in the fund. ROP charges Rule One Capital LP (the hedge fund) a performance-based fee, but ROP (the general partner) does not receive a management fee in addition to the performance-based fee. Specifically, ROP will receive compensation for investment management and general partner services based on capital appreciation. If the portfolio rises in value in a given quarter, then the client will pay a 20% fee on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits. This is generally known as a "high water mark". These fees are paid quarterly in arrears so there is no refund provision. Please also see Item 6 (Performance-Based Fees and Side-By-Side Management), which provides greater detail on the performance-based fees. Investors in the hedge fund should also be aware that ROP, as general partner of the hedge fund, has discretion to cause the fund to repay to ROP all organizational expenses (in not less than 60 equal monthly installments from the commencement of the hedge fund) as further disclosed in the hedge fund's limited partnership agreement.

Advisory Fees for Mutual Fund

The management fee arrangements with the Rule One Fund is a fee stated in the Prospectus of the Fund multiplied by the assets of the Rule One Fund.

The fee rate takes into account the relative costs of executing the Rule One Fund's individual fund's investment strategy and other factors. Like all investment companies registered under the 1940 Act, the advisory contract between the Rule One Fund and ROP is subject to approval by the Board of Trustees of the Trust, including trustees who are not interested persons (as defined in the 1940 Act) ("Independent Trustees") of the Trust. ROP's fee for providing services are negotiated on an individual basis.

The investment advisory agreement between the Rule One Fund and ROP will terminate within two years of the effective date of the investment advisory agreement unless renewed by the Rule One Fund in a manner permitted by Section 15 of the 1940 Act. The agreement shall also terminate upon assignment or upon sixty (60) days' advance written notice by any party to the agreement.

ROP has contractually agreed to reduce its fees and/or absorb expenses of the Rule One Fund, until a date specified in Rule One Fund's Prospectus to ensure that total annual fund operating expenses after fee waiver and/or reimbursement (exclusive of any front-end or contingent deferred loads, taxes, brokerage fees and commissions, borrowing costs (such as interest and dividend expense on securities sold short), acquired fund fees and expenses, fees and, expenses associated with investments in other collective investment vehicles or derivative instruments (including for example option and swap fees and expenses), or extraordinary expenses such as litigation (which may include indemnification of Fund officers and Trustees, contractual indemnification of Fund service providers (other than the Adviser))) will not exceed a specified total expense ratio specified in the Fund's Prospectus. Advisory fees waived or reimbursed are subject to possible recoupment by ROP from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. Fee waiver and reimbursement arrangements can decrease the Fund's expenses and boost its performance.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. As compensation for all services rendered, facilities provided and expenses paid or assumed by ROP under this Agreement, the Rule One Fund pays ROP on the last day of each month a fee calculated by applying a monthly rate, based on an annual percentage rate, to the Fund's average daily net assets for the month.

C. Clients Are Responsible For Third Party Fees

The client is responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Third party fees incurred by Rule One Capital LP (the hedge fund) will be part of the expense ratio of the fund and ultimately born by investors in the fund.

These fees are separate and distinct from the fees and expenses charged by ROP. Please see Item 12 of this brochure regarding the broker-dealer/custodian.

The Rule One Fund also pays for the typesetting, printing, and mailing of its proxy materials to shareholders (if any), legal expenses, and the fees of the custodian, auditor, administrator, fund accountant, transfer agent, distributor and Independent Trustees.

D. Prepayment of Fees

ROP collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Jeffrey Clinton Town, in his role as a licensed insurance agent, accepts compensation for the sale of securities to ROP clients.

1. This is a Conflict of Interest

The supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, they will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. *Clients May Purchase Recommended Products From Other Brokers*

Clients always have the option to purchase ROP recommended products through other brokers or agents that are not affiliated with ROP.

3. *Commissions are not the Primary Source of Income for ROP*

Commissions are not ROP's primary source of compensation.

4. *Advisory Fees in Addition to Commissions or Markups*

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

ROP manages certain accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as certain other accounts that are NOT billed on performance based fees including the Rule One Fund account. Managing both kinds of accounts at the same time presents a conflict of interest because ROP or its supervised persons have an incentive to favor accounts for which ROP and its supervised persons receive a performance-based fee. ROP addresses the conflicts by ensuring that clients who have performance based accounts do not receive preferential treatment. ROP provides best execution practices and upholds its fiduciary duty for all clients.

Potential conflicts of interest may also arise if the Rule One Fund or other accounts orders do not get fully executed due to being aggregated with those accounts managed by ROP. The portfolio manager also may execute transactions for the Rule One Fund or another account that may adversely impact the value of securities held by the Rule One Fund or another account. For example, the portfolio manager may manage the Rule One Fund or other accounts that engage in short sales, and could sell short a security for the Rule One Fund or another account where the Rule One Funds or other accounts as the case may be may trade or hold the shorted security. Although ROP monitors such transactions to attempt to ensure equitable treatment of both the Rule One Fund and a client fund or account that engages in short sales, or vice versa, there can be no assurance that the price of a security held by the Rule One Fund or account would not be impacted as a result. Also, securities selected for the Rule One Fund or other accounts may outperform the securities selected for other accounts managed by the same portfolio manager. ROP has adopted policies and procedures and maintains a compliance program designed to help manage such potential conflicts, which include trade allocation policies approved by the Trust's Boards of Trustees. These policies and procedures seek to ensure that ROP is not favoring one account such as the Rule One Fund over another, and that trading for the Rule One Fund and accounts is conducted in a fair and equitable manner. There can be no assurance, however, that all conflicts have been addressed in all situations.

For **California** clients, performance fees will only be charged to qualified clients in accordance with the provisions of California Code of Regulations Section 260.234. "Qualified Client" means:

- (i) 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;
- (ii) 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: (a) 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 client's primary residence) at the time the contract is entered into; or (b) Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- (iii) A natural person who immediately prior to entering into the contract is: (a) An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or (b) 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.

For **Utah** clients, ROP will comply with R164-2-1 of the Utah Administrative Code concerning performance-based fees. Among other requirements, this means that:

Client requirements

(1) The client entering into the contract must be:

- (a) a natural person or a company who, immediately after entering into the contract, has at least \$750,000 under the management of the investment adviser;
- (b) a person who the investment adviser and its investment adviser representatives reasonably believe, immediately before entering into the contract, is a natural person or a company whose net worth, at the time the contract is entered into, exceeds \$1,500,000. The net worth of a natural person may include assets held jointly with that person's spouse;
- (c) a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into; or
- (d) a natural person who immediately prior to entering into the contract is:
 - (1)(d)(i) An executive officer, director, trustee, general partner, or person serving in a similar capacity of the investment adviser; or

(1)(d)(ii) 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, participated 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.

Compensation formula

(1) The compensation paid to the investment adviser with respect to the performance of any securities over a given period must be based on a formula with the following characteristics:

(a) In the case of securities for which market quotations are readily available within the meaning of Rule 2a-4(a)(1) under the Investment Company Act of 1940, 17 C.F.R. 270.2a-4(a)(1) (1999) which is adopted and incorporated by reference and available from the Division, the formula will include the realized capital losses and unrealized capital depreciation of the securities over the period;

(b) In the case of securities for which market quotations are not readily available within the meaning of Rule 2a-4(a)(1) under the Investment Company Act of 1940 the formula will include:

(b)(i) the realized capital losses of securities over the period, and

(b)(ii) if the unrealized capital appreciation of the securities over the period is included, the unrealized capital depreciation of the securities over the period; and,

(c) the formula will provide that any compensation paid to the investment adviser under this rule is based on the gains less the losses, computed in accordance with subparagraphs (a) and (b) of this subparagraph, in the client's account for a period of not less than one year.

Additional disclosure requirements

(1) Before entering into the advisory contract, ROP will disclose in writing to the client all material information concerning the proposed advisory arrangement, including the following:

(a) That the fee arrangement may create an incentive for the investment adviser to make investments which are riskier or more speculative than would be the case in the absence of a performance fee;

(b) Where relevant, that the investment adviser may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account;

(c) The periods that will be used to measure investment performance throughout the contract and their significance in the computation of the fee;

(d) The nature of any index which will be used as a comparative measure of investment performance, the significance of the index, and the reason the investment adviser believes that the index is appropriate; and,

(e) Where the investment adviser's compensation is based in part on the unrealized appreciation of securities for which market quotations are not readily available within the meaning of Rule 2a-4(a)(1) under the Investment Company Act of 1940 how the securities will be valued and the extent to which the valuation will be independently determined.

Clients that are paying a performance based fee should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance based fee due to the higher risk/higher reward attributes.

Item 7: Types of Clients

ROP generally provides management supervisory services to the following types of clients:

- * **Individuals** - non-high net worth individuals
- * **High net worth individuals** - an individual who is a “qualified client” under rule 205-3 of the Advisers Act or who is a “qualified purchaser” as defined in section 2(a)(51)(A) of the 1940 Act.
- * **Pooled Investment Vehicle** - Rule One Capital LP, a hedge fund for which ROP serves as general partner
- * **Mutual Fund** – an investment company registered under the 1940 Act.

There is an account minimum of \$20,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

The hedge fund imposes its own minimum investment parameters as stated in the fund offering documents.

The Rule One Fund imposes its own minimum initial investment and subsequent minimum investment as stated in the Fund's Prospectus.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

ROP's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

Charting analysis involves the use of patterns in performance charts. ROP uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

ROP uses long term trading, short term trading, short sales, and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

With respect to the Rule One Fund, more detailed information relating to the methods and strategies in that Fund's Prospectus and registration statement filed with the SEC or other applicable offering or account guideline documents.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

With respect to the Rule One Fund, more detailed information relating to the risks of investing in the Fund are set forth in that Fund's Prospectus and registration statement filed with the SEC or other applicable offering or account guideline documents.

C. Risks of Specific Securities Utilized

ROP generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

Hedge Funds are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Private placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Short sales risks include the upward trend of the market and the infinite possibility of loss.

Options writing involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

With respect to the Rule One Fund, more detailed information relating to the risks of investing in the Fund are set forth in that Fund's Prospectus and registration statement filed with the SEC or other applicable offering or account guideline documents.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ROP nor its representatives are registered as or have pending applications to become a broker/ dealer or as representatives of a broker/ dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither ROP nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Philip Bradley Town is the Manager of Rule One Capital LP, a hedge fund; ROP is the fund's general partner and Philip Bradley Town is the principal of ROP. ROP provides portfolio management services for the Rule One Fund. Philip Bradley Town is the Portfolio Manager for the Rule One Fund. ROP manages assets for all clients based on the same investment strategies and uses the same specific securities detailed in Item 8 above. ROP will recommend investments in this private fund to those SMA clients for which investment in the fund is suitable. This presents a conflict of interest in that ROP or its related persons may receive more compensation from investment in the private fund than from other investments. Additionally, the hedge fund will at times be purchasing the same securities that are being recommended to individual clients in their SMA portfolios and that are being purchased by the Rule One Fund. Since ROP earns a performance fee on hedge fund earnings and a flat advisor fee on individual client accounts this represents a potential conflict of interest. Nevertheless, ROP acts in the best interest of the client consistent with its fiduciary duties and SMA clients are not required invest in the private fund if they do not wish to do so. Mr. Town splits his time between his activities and duties for Rule One Investing, LLC, Rule One Capital LP, and ROP.

Philip Bradley Town is the Chief Executive Officer of Rule One Investing, LLC, an investing education company. Jeffrey Clinton Town is a teacher with Rule One Investing, LLC. Rule One Investing, LLC does not provide investment advice and clients of Rule One Investing, LLC are not solicited to become clients of ROP or investors in the Rule One Fund. However, 90-days after engaging with Rule One Investing, LLC as a student, ROP may make such students aware of Philip Bradley Town's affiliation with ROP or the Rule One Fund. If those individuals decide they want to retain ROP as an investment adviser or invest in the Rule One Fund, then ROP may take them on as clients or the Rule One Fund may accept them as shareholders. Rule One Partners, LLC always acts in the best interest of the client. Students of Rule One Investing, LLC are not required to utilize the services of ROP or invest in the Rule One Fund and, similarly, clients of ROP are not required to become students of Rule One Investing, LLC.

Additionally, Jeffrey Clinton Town is a licensed insurance agent, but does not actively engage in the sale of insurance products at this time; he will not offer such products to clients of Rule One Partners, LLC and will not sell insurance products in jurisdictions where he is not authorized to do so. Nancy DuRant Davis is pilot with Delta Airlines. Corey James Wood is the owner and manager of Enrich Marketing, a sales and marketing organization that does sales and marketing for an education company. Rule One Partners, LLC always acts in the best interest of the client, including the Rule One Fund, and clients are in no way required to utilize the services of any representative of Rule One Partners, LLC in such individual's outside capacities.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its

employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

ROP does not utilize nor select other advisers or third party managers. All assets are managed by ROP.

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

A. Code of Ethics

ROP has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

From time to time, in connection with its business including the management of the Rule One Fund, ROP may obtain material non-public information that is usually not available to other investors or the general public including information about the Rule One Fund, the shares of which are publicly offered. In compliance with applicable laws, ROP has adopted a comprehensive set of policies and procedures that prohibit the use of material non-public information by investment professionals or any other employees.

The Rule One Fund as part of the Trust also has a code of ethics and insider trading policies and procedures.

B. Recommendations Involving Material Financial Interests

ROP may recommend that SMA clients buy or sell any security in which ROP or a related person has a material financial interest. Specifically, Philip Bradley Town is the Manager of Rule One Capital LP, a hedge fund, and is principal of ROP, the fund's general partner. He is also the portfolio manager of the Rule One Fund. ROP manages assets for all clients based on the same investment strategies and uses the same specific securities detailed above. ROP will recommend investments in this private fund or the Rule One Fund to those SMA clients for which investment in either or both funds is suitable. This presents a conflict of interest in that ROP or its related persons may receive more compensation from investment in the private fund or Rule One Fund than from

other investments. Additionally, the hedge fund will at times be purchasing the same securities that are being recommended to individual clients in their SMA portfolios. Since ROP earns a performance fee on hedge fund earnings and a flat advisor fee on individual client accounts this represents a potential conflict of interest. Nevertheless, ROP acts in the best interest of the client consistent with its fiduciary duties and SMA clients are not required invest in the private fund or Rule One Fund if they do not wish to do so.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of ROP will buy or sell securities for themselves that they also recommend to the hedge fund, individual investor SMA accounts or Rule One Fund. This may provide an opportunity for representatives of ROP to buy or sell the same securities before or after recommending the same securities to the client resulting in representatives profiting off the recommendations they provide. Such transactions may create a conflict of interest. ROP will always document any transactions that could be construed as conflicts of interest. ROP will monitor all such transactions to assure there are no improprieties.

ROP is general partner and investment manager for Rule One Capital LP, a hedge fund investment vehicle and the investment adviser for the Rule One Fund. The hedge fund and the Rule One Fund is typically invested in similar securities that are being recommended for clients of ROP. This may provide an opportunity for the hedge fund or the Rule One Fund to buy or sell the same securities before or after recommending the same securities to ROP clients resulting in the hedge fund or the Rule One Fund profiting off the recommendations ROP provides to its clients. Such transactions may create a conflict of interest. ROP will monitor all such transactions to assure there are no improprieties.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of ROP will buy or sell securities for themselves at or around the same time as clients including the hedge fund and the Rule One Fund. This may provide an opportunity for representatives of ROP to buy or sell the same securities before or after recommending the same securities to the client resulting in representatives profiting off the recommendations they provide. Such transactions may create a conflict of interest. ROP will always document any transactions that could be construed as conflicts of interest. ROP will monitor all such transactions to assure there are no improprieties.

Additionally, ROP is general partner and investment manager for Rule One Capital LP, a hedge fund investment vehicle and the investment adviser for the Rule One Fund. The hedge fund is typically invested in similar securities that are being recommended for clients of ROP. This may provide an opportunity for the hedge fund or the Rule One Fund to buy or sell the same securities before or after recommending the same securities to ROP clients resulting in the hedge fund or Rule One Fund profiting off the

recommendations ROP provides to its clients. Such transactions may create a conflict of interest. ROP will monitor all such transactions to assure there are no improprieties.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

In choosing brokers and dealers, ROP will not be required to consider any particular criteria. For the most part, ROP will seek the best combination of brokerage expenses and execution quality but, as discussed below, is not required to select the broker-dealer that charges the lowest transaction cost, even if that broker-dealer provides execution quality comparable to other brokers or dealers. In evaluating “execution quality,” historical net prices (after mark-ups, markdowns or other transaction-related compensation) on other transactions will be a principal factor, but other factors will also be relevant, including the following: the execution, clearance, and settlement and error correction capabilities of the broker-dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the willingness of the broker-dealer to commit capital; reliability and financial stability; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

ROP uses Interactive Brokers LLC (CRD# 36418) and Tradestation (CRD#39473) as custodians for SMA accounts. ROP will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian. Fifth Third Bank is the custodian for the Rule One Fund.

1. *Research and Other Soft Dollar Benefits*

ROP, in its discretion, may enter into soft dollar arrangements.

Soft Dollar Benefits Within Safe Harbor

For soft dollar benefits that meet the ‘safe harbor’ requirements of Section 28(e) of the Securities Exchange Act of 1934, as interpreted by the SEC (most recently in an SEC Interpretive Release effective on July 24, 2006) (the “Soft Dollar Safe Harbor”), ROP is protected from breach of fiduciary duty claims by its advisory clients, even if the brokerage commissions paid are higher than the lowest available.

If the brokerage and research services and products are provided by a broker-dealer who effects transactions for the Partnership, ROP, in good faith, after determining the product or service meets the eligibility criteria of Soft Dollar Safe Harbor and provides lawful and appropriate assistance in the performance of relevant responsibilities of ROP, ROP may conclude that the commissions paid are reasonable in relation to the value of the research and brokerage products and services provided by the broker-dealer. While ROP generally will select the broker-dealer ROP believes can provide the Partnership with “best execution,”

ROP may select that broker-dealer from which the Partnership or ROP will receive brokerage services or research eligible for the Soft Dollar Safe Harbor that has substantive content, beyond transaction execution. The amount of compensation the Partnership pays such a broker-dealer may be higher than what another, equally capable broker-dealer might charge. Because many of those services or products could benefit ROP, ROP may have a conflict of interest in allocating Partnership brokerage business, including an incentive to cause the Partnership to effect more transactions than it might otherwise do in order to obtain those benefits. The extent of that conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

Under the Soft Dollar Safe Harbor, eligible “research” services and products means services or products used to provide lawful and appropriate assistance to ROP in making investment decisions for its clients. And eligible “brokerage” services and products means services or products used to execute trades. To qualify for the Soft Dollar Safe Harbor, ROP must, among other things, determine that commissions paid are reasonable in light of the value of both the “brokerage” and “research” services and products acquired. The Soft Dollar Safe Harbor protects the use of Partnership soft dollars even when the research acquired is used in making investment decisions for clients other than the Partnership. The types of research and brokerage services and products ROP may acquire include: traditional research reports analyzing a particular company’s performance or securities; market and economic data and data services; specialized, trade and technical publications; portfolio analysis software; financial database software and services; certain order entry services; analytical software; quotation equipment and other computer hardware for use in running software used in investment decision making and securities trading transactions; and other products or services that may enhance ROP’s investment decision making and trading transactions.

The Partnership may use brokerage compensation (as well as interest the broker-dealer receives on the Partnership’s cash balances, margin borrowings, and borrowings of securities to maintain short positions) to pay the broker-dealer for record keeping, custodial, and related services provided to the Partnership and may also pay its accounting and other, similar expenses using soft dollars. The Partnership, and not ROP, would otherwise be obligated to bear these expenses and ROP therefore does not believe it has a meaningful conflict of interest in using soft dollars to pay them, although the use of soft dollars to pay these expenses is not within the Soft Dollar Safe Harbor.

Soft Dollar Benefits Outside of Safe Harbor

If soft dollars are used to acquire services and products that provide benefits to ROP that may not qualify as research or brokerage services or products, or to pay expenses otherwise payable by the General Partner used in ROP’s administrative activities, then these expenses may not be within the Soft Dollar Safe Harbor. Specifically, a portion of the commissions generated on Rule One Capital LP’s brokerage transactions may generate “soft dollar” credits that the General Partner

(ROP) is authorized to use to pay for research and other non-research related services and products used by the General Partner, including costs otherwise treated as General Partner expenses.

ROP may or may not use other clients' soft dollars to pay such expenses and, if it does, such use may not be directly proportionate to the benefits to the Partnership and such other clients. Accordingly, other services or products as well as expenses ROP would otherwise pay that may be paid through the use of the Partnership's soft dollars could include ROP operating costs and expenses, including supplies, salaries, employee benefits, other employee compensation, telephone (including cellular telephones), postage, transportation, travel, meals and entertainment, placement fees and other marketing costs, hardware, software, cables, monitors and other computer-related equipment and accessories, used in administrative activities, other office equipment, news wire and data processing charges, legal and accounting fees, office rent and electricity, quotation services and periodical subscription fees and all other trading related expenses. These soft dollar payments may be received in connection with transactions in which the Partnership does not participate.

The availability of these other benefits may influence ROP to select one broker-dealer rather than another to perform services for the Partnership. Nevertheless, ROP will attempt to assure either that the fees and costs for services provided to the Partnership by broker-dealers offering these benefits are not materially greater than they would be if the services were performed by equally capable broker-dealers not offering such services or that the Partnership also will benefit from the services.

The use of soft dollars to obtain investment research services and to pay for the administrative costs and expenses of ROP creates a conflict of interest between ROP and the Partnership, because the Partnership pays for such products and services that are not exclusively for the Partnership's benefit and that may be primarily or exclusively for ROP's benefit. To the extent that ROP is able to acquire these products and services without expending its own resources, ROP's use of "soft dollars" would tend to increase ROP's profitability. In addition, the availability of these nonmonetary benefits may influence ROP to select one broker-dealer rather than another to perform services for the Partnership. ROP intends to engage in these practices to the fullest extent permitted by law.

2. *Brokerage for Client Referrals*

ROP receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

ROP uses Interactive Brokers as the custodian for all SMA accounts. ROP uses Fifth Third Bank as custodian for the Mutual Fund and Interactive Brokers as the Broker/Dealer. ROP does not allow clients to direct which broker/ dealer/custodian will be used.

B. Aggregating (Block) Trading for Multiple Client Accounts

ROP maintains the ability to block trade purchases across accounts. Block trading may benefit clients by providing ROP the ability to purchase larger blocks resulting in smaller transaction costs to the clients. Declining to block trade can cause more expensive trades for the clients.

A block trade executed with a particular broker is generally allocated pro-rata among the accounts that are participating in the block trade until any account has been filled. After any account has been filled, the trade is allocated pro-rata among any remaining accounts. Each broker's execution of a bunched order may be at a price different than another broker's block order execution price for the same security.

ROP has established allocation policies for their various accounts and securities types to ensure allocations are appropriate given clients' differing investment objectives and other considerations.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

SMA client's accounts are reviewed periodically by Philip Bradley Town, Managing Member. Philip Bradley Town is the chief advisor and is instructed to review SMA client's account with regard to the investment policies and risk tolerance levels. At this time, all accounts at ROP are assigned to this reviewer.

The Trustees of the Trust review at least annually the activities of the Rule One Fund's portfolio manager, and review on a regular basis the performance of the Rule One Fund. The Trustees of the Trust are supplied periodic reports providing, among other items, comparative performance data, sales and redemptions of shares information, and certain brokerage commission reports.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in the fund's financial situation.

C. Content and Frequency of Regular Reports Provided to Client

Each client will receive at least quarterly from the custodian, a written report that details the fund's account including assets held and asset value which will come from the custodian.

Hedge fund clients also receive reports that are defined in the fund's offering documents. Included in these reports are at least annual audited accounting reports that are sent to each member of the fund.

Rule One Fund shareholders receive periodic reports as required by the 1940 Act, which are available on the Rule One Fund's website.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Other than soft dollar benefits discussed in Item 12 above, ROP does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ROP clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

ROP does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from SMA client accounts at client's custodian, ROP will be deemed to have limited custody of client's assets. Because SMA client fees will be withdrawn directly from client accounts, for jurisdictions in which it is required, ROP will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

SMA clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. SMA clients are urged to compare the account statements they received from custodian with those they received from ROP.

As the general partner of the hedge fund, ROP also has custody of the fund's assets and has reported this fact on the firm's ADV Part 1 filing. ROP will assure that all custody safekeeping procedures are followed, including:

- (1) a qualified custodian sends account statements at least quarterly to the investors in the fund;
- (2) an independent public accountant audits annually the fund and the audited financial statements are distributed to investors.

At this time, Spicer Jeffries is the fund's independent public accountant.

As required by the 1940 Act, assets of the Rule One Fund are held at a bank or other permissible custodian type permissible under rules of the 1940 Act.

Item 16: Investment Discretion

ROP will have written discretionary authority over the client's account(s) with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to each client before any advisory relationship has commenced. SMA clients may (but do not typically) impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. The fund provides ROP discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

ROP will also have discretionary authority to determine the broker dealer to be used for a purchase or sale of securities for a client's account.

ROP exercises its discretionary authority on behalf of the Rule One Fund pursuant to an advisory contract (the "Advisory Contract"). The Advisory Contracts are entered into in accordance with Section 15 of the 1940 Act, and approved and renewed by the Fund's Board of Trustees, including the Independent Trustees. In approving the Advisory Contract, the Board of Trustees authorizes by resolution ROP's ability to exercise discretionary authority, and the Advisory Contract contain the terms and limitations, if any, with regard to the authority granted.

Item 17: Voting Client Securities (Proxy Voting)

ROP will accept voting authority for securities in certain cases. When ROP does accept voting authority for securities, it will always seek to vote in the best interests of the client, private fund or Rule One Fund. ROP does not maintain preapproved voting guidelines but relies on the investment committee to determine the appropriate course of action in voting portfolio securities that is in the best interest of the client. SMA clients may direct ROP on how to vote securities by communicating their wishes in writing or electronically to ROP. When voting proxies the investment committee will always hold the interests of the clients including the private fund and Rule One Fund above its own interests. A client may obtain the voting record of ROP on securities by contacting ROP at phone number or e-mail address listed on the cover page of this brochure. The private fund may obtain a copy of ROP's proxy voting policies and procedures upon request. Shareholders of the Rule One Fund may obtain a copy of the Fund's proxy voting procedures and annual voting record by visiting the Fund's website.

Item 18: Financial Information

A. Balance Sheet

ROP does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither ROP nor its management has any financial conditions which are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

ROP has not been the subject of a bankruptcy petition in the last ten years.