

Kaizen Advisory, LLC

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Form ADV Part 2A — October 12, 2018

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of Kaizen Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at 630-949-2070 or by email at tyoung@kaizenfindist.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.

Kaizen Advisory, LLC is registered as an investment adviser with the Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

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

Item 2 – Material Changes

Kaizen Advisory, LLC (“Kaizen” or the “Firm”) has updated our ADV Part 2A Disclosure Brochure to reflect the following change(s) since the last brochure dated May 1, 2018:

- Item 4 E. Amount of Client Assets Managed was updated to reflect current assets under management.

A summary of any materials changes to this and subsequent Brochures will be provided to you within 120 days of the close of our business’ fiscal year. We may also provide you with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

You may request the most recent version of this brochure by contacting Thomas R. Young, CCO, at 630-949-2070 or tyoung@kaizenfindist.com. Additional information about Kaizen is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

A. Description of Firm

Kaizen Advisory, LLC (the “**Kaizen**” or the “**Firm**”) is an Illinois-based advisory firm that provides investment advisory and other services. Kaizen is a limited liability company having been formed in the State of Illinois in 2014, and along with its affiliated entities, is owned by Dean Zayed.

B. Types of Advisory Services Offered

1. Investment Management Services

Kaizen serves as the management company for certain unaffiliated investment companies registered under the Investment Company Act of 1940 (collectively, the “**Funds**”) and also manage investment advisory accounts for individual clients (such separately managed accounts hereinafter referred to as (“**SMAs**”), and together with the Funds, collectively referred to herein as “**Clients**”). We provide advice to Clients regarding equity securities, convertible securities, debt instruments, options, futures, swaps, other derivatives, private securities, loans, structured products, and other investments and instruments.

a. Investment Companies

Kaizen manages the Fund portfolio assets based on each Fund’s specific investment objectives and restrictions, as outlined in the Fund’s prospectus and statement of additional information. Please refer to prospectus of the respective Fund for a complete description of the investment objective and risks pertaining to the Fund. The Funds currently managed by Kaizen include:

- **RAISE Core Tactical Fund** – The investment objective of the RAISE™ Core Tactical Fund (the “Fund”) is to seek long-term capital growth. Using a tactical asset allocation model, the Fund seeks to invest in the U.S. equity market during sustained rallies and to invest in U.S. treasury securities and cash during weak equity market conditions. At any given time, the Fund’s portfolio may be invested in all equities, in all treasuries and cash or in some combination of equities, treasuries and cash determined by Kaizen Advisory, LLC (“Kaizen” or the “Advisor”). Kaizen utilizes the RAISE™ (Risk Appropriate Investment Strategy Evaluation) investment process which is designed to seek to generate risk-appropriate returns and limit the effect of significant market downturns. Please see the fund’s prospectus for additional information.
- **Altrius Enhanced Income Fund** – The investment objectives of this fund are to generate income and maximize long-term total return. The fund incorporates two strategies: (1) it invests in bonds of any credit rating or maturity to generate income, and (2) employs an option overly strategy designed to enhance the amount of income generated. Please see the fund’s prospectus for additional information.
- **MarketGrader 100 Enhanced Index Fund** – The MarketGrader 100 Index is a rules-based index intended to give investors a means of tracking the overall performance of a portfolio of 100 U.S equity securities with attractive metrics. The investment objective of this fund is to seek investment results that correspond generally to the directional performance of the US equity market using a methodology that attempts to enhance risk-adjusted returns through hedging strategies and the use of futures. Please see the fund’s prospectus for additional information.

b. Separately Manage Accounts

Kaizen provides discretionary investment advice and management to separately managed accounts (“**SMAs**”) (SMA clients, together with the Funds, may be referred to collectively here in “**Clients**”) on a continuous basis and in accordance with the investment objectives and strategies provided by the SMA client. Kaizen holds a limited power of attorney to act on a discretionary basis with client funds. All investment advice is customizable, with each account managed according to the investment objectives, needs, guidelines, risk tolerance, and other information as provided by the SMA client. The Firm’s discretionary authority may be subject to conditions or restrictions imposed by a client. We generally permit our SMA clients to impose restrictions on their accounts with respect to: (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account; or (3) the risk profile of instruments

we will or will not purchase for their account, or the risk profile of the account as a whole.

Kaizen will not maintain possession or custody of the funds or securities of any SMA client. The client funds will typically be deposited in either a brokerage firm or bank custodian account. With client consent, Kaizen will typically cause fees to be paid out of separately managed accounts by the client's custodian.

2. Sub-Advisory Services

Kaizen provides services under sub-advisory agreements with other affiliated and non-affiliated third party registered investment advisers (“**TPA’s**”) who have engaged Kaizen to manage the holdings in their clients' portfolios. Both Kaizen and the TPA will be granted dual trading authority. Kaizen typically has discretionary authority over a portion of a sub-advised client's assets to buy and sell securities based on each client's individual needs, and in some cases to manage the investment options of no-load variable annuities owned by a TPA Client. Typically, the TPA will have discretionary trading authority over the client's account and will be responsible for supervising the management of the account. Accordingly, the TPA will monitor the investment management services provided to their clients by Kaizen. All agreed upon terms shall be provided in the sub-advisory agreement between Kaizen and the TPA.

Additionally, Kaizen will from time to time utilize sub-advisers to manage all or a portion of Client's assets on a discretionary basis. Such sub-advisers may be affiliated or unaffiliated with the Firm. Once a sub-adviser is selected, the Firm continues to monitor the chosen manager to ensure that they adhere to the philosophy and investment style for which they were selected. The Firm retains discretionary authority to hire and fire a sub-adviser and reallocate Client's assets where such action is deemed to be in the best interest of the Client. For sub-advisers that are affiliated with the Firm, there are no additional fees to Client for the Firm's use of such sub-advisers. However, for unaffiliated sub-advisers, Clients will be responsible for payment of such sub-advisory fees in addition to the fees assessed by the Firm. Please see Item 5 below for information regarding fees to sub-advisers.

C. Client Agreements and Disclosures

Each Client is required to enter into a written agreement with Kaizen setting forth the terms and conditions under which the Firm shall render its services (the “**Agreement**”). In accordance with applicable laws and regulations, Kaizen will provide its disclosure brochure (ADV Part 2A), brochure supplement (ADV Part 2B) and most recent Privacy Notice to each Client prior to or contemporaneously with the execution of the Agreement. The Agreement between Kaizen and the Client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Kaizen's fees (as discussed below) shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the Client, as appropriate, in a timely manner.

Neither Kaizen nor the Client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Kaizen shall not be considered an assignment.

As further discussed in Item 15 below, Client's assets will be custodied with a qualified custodian. All custodial and execution fees assessed for Client's assets remain the sole responsibility of Client.

D. Participation in Wrap Programs

While Kaizen does not sponsor any wrap programs at this time, it does participate as a portfolio manager to a “Wrap Program” sponsored by Brookstone Capital Management, LLC (the “Wrap Sponsor”), an affiliated third party adviser. A wrap fee program generally is an investment advisory program under which a client (the “Wrap Client”) pays a single, all-inclusive (or “wrap” or “bundled”) fee to the Wrap Sponsor for investment advisory services, custody services, and the execution of client transactions. The Wrap Sponsor has primary responsibility for communications and services to the Wrap Client.

Kaizen receives a portion of the Wrap Fee from the Wrap Sponsor for providing investment management services to the Wrap Client. The Wrap Clients enter into a written agreement with the Wrap Sponsor and not Kaizen. The Wrap Sponsor also arranges for payment of Kaizen's advisory fees on behalf of the Wrap Client, and monitors and evaluates Kaizen's investment advisory services.

Although the types of investment management services we provide to Wrap Clients are generally the same as the types of investment management services provided to other clients, certain differences exist. These include: 1) that the

Wrap Sponsor collects each Wrap Client's investment objectives and assists in determining the strategy best suited for the Wrap Client, 2) communications regarding the investment management of a Wrap Client's assets is between the Wrap Sponsor and the Wrap Client, with Kaizen only communicating with the Wrap Sponsor (unless the Wrap Client requests otherwise), 3) Kaizen may be bound by certain investment limitations of the Wrap Program not applicable to its other clients (for example, wrap fee accounts generally will not participate in initial public offerings for regulatory reasons), and 4) Kaizen does not select broker-dealers for wrap fee accounts due to the nature of the Wrap Client's fee structure with the Wrap Sponsor.

E. Amount of Client Assets Managed

As of October 12, 2018, Kaizen had \$332,800,000 in assets under management to which it provides advice on a discretionary basis.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Fund investors, SMA clients and prospective clients to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the offering materials of Funds that we manage. Please request a copy of the relevant Fund's most current offering materials for a description of other conflicts and risks that might exist.

Item 5 – Fees and Compensation

As described in greater detail below, Kaizen charges different fees dependent upon the services provided. The specific fees charged any particular Client will be set forth in that Client's agreement with the Firm.

1. Fees Charged to Separately Managed Accounts

For its investment management services to SMA clients, Kaizen will receive an annual advisory fee of one percent (2.25%) of the client's assets under management. The management fee will be paid quarterly, in arrears, and is calculated as of the close of business on the last business day of the calendar quarter.

Unless otherwise requested by the client in writing, fees will be automatically deducted from the client's account by the custodian as soon as practicable following the end of each applicable period. Should a client open an account during a quarter, the Firm's fee will be prorated based on the number of days that the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, Kaizen will refund any pre-paid, unearned fees, and any unpaid fees will be billed upon termination on a pro-rated basis. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter) and the balance is refunded. Additional deposits of cash and/or securities will be subject to the same billing procedures.

Fees are negotiable and arrangements with any particular client could differ from those described above. Should a SMA client have more than one account managed by the Firm, the Firm may elect at its sole discretion to aggregate the client's accounts for the purpose of computing management fees.

2. Fees Charged to Funds

Typically, Funds pay Kaizen a management fee of up to 1.1% annually of the net asset value of the Fund. The management fee is calculated according to the Fund's prospectus and the Fund supervisors.

Specific terms of investment for certain prospective investors of the Funds could differ from the terms applicable to other investors.

3. Fees Charged to Wrap Clients

Kaizen is not generally informed of the specific fee arrangement negotiated between each Wrap Client and the Wrap Sponsor. Wrap Sponsors may charge a minimum annual Wrap Fee to each of their Wrap Clients. The annual investment management fees we receive from each Wrap Sponsor are generally equal to either: (a) a percentage of the total assets in the Wrap Sponsor's Wrap Program accounts for which Kaizen provides

investment management services, or (b) a percentage of the Wrap Fees actually collected by the Wrap Sponsor from Wrap Clients to whom we provide investment management services. Wrap Sponsor pays us on a quarterly in arrears. The standard fees we receive from the Wrap Sponsor are up to one percent (1%). All fees are negotiable in Kaizen's sole discretion.

Each Wrap Sponsor is required under federal securities laws to provide Wrap Clients with an Appendix 1 to Form ADV Part 2A ("Wrap Program Brochure") that includes disclosures on, among other things, the Wrap Fees charged to Wrap Clients. Wrap Clients should review the Wrap Program Brochure in its entirety, along with this Brochure in order to fully understand the services, fees and risks surrounding these arrangements. Wrap Clients should understand that these types of programs have layers of fees that are not always apparent without reading the Wrap Program Brochure and this Brochure, along with the offering document/prospectus for underlining investments.

4. Fees Charged to TPAs for Sub-Advisory Services

Kaizen receives an annual investment management fee based on the total assets in each TPA's clients' accounts for which Kaizen provides investment management services. Kaizen is paid the sub-advisory fees on a quarterly basis by the TPA, either in advance or arrears depending on the arrangement. The annual investment management fees paid to us varies dependent upon the TPA.

5. Additional Expenses

Kaizen's fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses, all of which are incurred by the Client. Please refer to Item 12 for additional information regarding the factors we consider in selecting broker-dealers for Client transactions, and in determining the reasonableness of their compensation.

6. Related Conflicts

Affiliated and Unaffiliated Sub-Advisers. From time to time, we will retain sub-advisers to provide investment research and analysis and/or discretionary management to Clients (directly, or through investment funds, managed accounts or other structures) with respect to portions of Client assets. Compensation (including, without limitation, management and other fees, carried interest, profit participation and reimbursement of operating and other expenses) to sub-advisers that are not affiliated with us will be borne by Clients, and we will not offset, or pay such sub-advisers from, our management fees. However, we do offset the compensation we receive against compensation received by sub-advisers that are affiliated with us to avoid a "double-dip" on fees for the same portion of assets.

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

As noted in Item 5 above, we do not charge performance-based fees to any Clients. However, we recognize that conflicts related to side-by-side management exist for other reasons.

We and our affiliates sponsor or manage other investment funds and managed accounts, some of which have objectives that are similar to, or which overlap with, those of other Clients. Additionally, we and our affiliates own interests in those investments funds and managed accounts. In certain circumstances, particularly when we or our affiliates sponsor a new product or platform (because we and our affiliates provide most of the initial seed money), such product or platform can be wholly or principally owned by us or our affiliates. Our ownership interest in these accounts give us an incentive to favor these accounts over other Client accounts. However, as discussed further in Item 12 below, this generally means that all accounts managed using the same investment strategy will participate pro rata in all investment opportunities that we allocate to any other account using that strategy.

The portfolio strategies we and our affiliates use for certain Clients could conflict with the transactions and strategies we employ in managing other Clients and have the propensity to affect the prices and availability of the securities and other financial instruments in which Clients invest.

Item 7 – Types of Clients

As noted in Item 4 above, we advise SMA clients and also provide portfolio management services to Funds (which may be organized as domestic or foreign partnerships, corporations, or other incorporated or unincorporated entities) and/ or mutual funds. The minimum dollar value for establishing an advisory account is generally \$100,000, although we may accept lesser amounts in our discretion. Certain Funds require initial investments of \$2,500 to \$10,000.

Termination provisions for advisory contracts for separately managed accounts are subject to negotiation but generally may be terminated at any time by either party with thirty days prior written notice. Generally, the Funds' investment advisory contracts may be terminated at any time by either party with thirty days prior written notice.

The beneficial owners of separately managed accounts generally receive more information (including portfolio composition information) and have more favorable liquidation rights than investors in the Funds. We also negotiate fees with beneficial owners of separately managed accounts that may be more favorable than the fees in place for comparable Fund.

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

We employ a wide range of investment strategies in managing Client assets, which include, but are not limited to:

- Equities
- Derivatives
- Fixed Income Products

Investing in securities involves risk of loss that Clients should be prepared to bear. Stock markets are volatile and can decline significantly in response to issuer, market, economic, political regulatory, geopolitical and other conditions. The value of an equity security can decline significantly to these conditions. The value of equity securities may fall due to general market and economic conditions, perceptions regarding the industries which the issuers of securities participate, or factors relating to specific companies.

Generally, the investment programs we employ for Clients give us the discretion to allocate capital to a wide variety of investment types. We make efforts to keep our Clients (including Fund investors) informed of any investments that constitute a material portion of their portfolio as soon as reasonably practicable.

Clients should understand that investing in any securities involves a risk of loss of both income and principal. There are certain additional risks associated with the securities recommended and strategies utilized by Kaizen including, among others:

Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

Management Risk: Client's investment varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you could lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income"

nature (lower risk) or stock “equity” nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities could fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds are the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked 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. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically are negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Non-U.S. securities- present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Futures Risk. Our use of stock index futures contracts creates exposure to leverage and tracking risks because a small investment in futures contracts may produce large losses and futures contracts may not accurately track the underlying securities. Changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

Options Risk: For certain clients, Kaizen employs the use of options as part of its strategy. The following risks are associated with these types of transactions:

- **Options:** An option is a contract to buy or sell a specific financial product officially known as the option's underlying instrument or underlying interest. For equity options, the underlying instrument is a stock, ETF, or similar product. The contract itself is very precise. It establishes a specific price, called the strike price, at which the contract may be exercised, or acted on. It also has an expiration date. When an option expires, it no longer has value and no longer exists. Options come in two varieties, calls and puts, and you can buy or sell either type. Call contracts will expire worthless if the underlying security closes below the strike price on expiration. Put contracts will expire worthless if the underlying security closes above the strike price on expiration. Selling a covered call may limit the upside if the underlying security closes above the strike price on expiration. Special tax rules may apply, depending on the outcome. Prior to buying or selling an option, clients should read Characteristics and Risks of Standardized Options. Copies of this document may be obtained from Kaizen, from any exchange on which options are traded, on the web at <http://www.optionsclearing.com/components/docs/riskstoc.pdf> or by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667).

- Option buying: This is a basic options strategy where investors buy a call or put option with the hope that the price of the underlying stock will move far enough to cover the premium paid for the option.
- Option writing: Investors can sell options in order to obtain additional income from premiums paid by the option buyer. Option writing is often associated with the investment strategy known as covered call writing. Covered calls limit the upside of a stock holding.
- Uncovered Options and Spreading Strategies: Uncovered options trading can be more risky than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

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

Frequent Trading

Some of the investment strategies we employ for Client accounts involve frequent trading of securities (in addition to, or in lieu of, longer term investments). When we employ these strategies for Clients, their portfolio turnover will be substantially greater than the turnover rates of other types of investment strategies that do not involve trading to such an extent. Consequently, expenses will likely be greater than for other types of strategies (e.g., additional brokerage commissions and other costs) and there will also likely be additional tax considerations for certain types of Clients and Fund investors.

Other Related Procedures and Conflicts:

Valuation of Holdings. As a fiduciary, the Firm has an obligation to accurately value the portfolio securities held by its clients. On a daily basis, the valuation of the securities in the portfolios are generally provided by a third party firm. In the event of market disruption or a situation where a price is not readily available the investment adviser or fund may need to fair value said securities.

Item 9 – Disciplinary Information

Registered investment advisers such as Kaizen are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of Kaizen or the integrity of its management. Kaizen does not have any such legal or disciplinary events and therefore has nothing to disclose with respect to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Kaizen's sole owner, Mr. Zayed, is a shareholder in the law firm of Perkins & Zayed, PC, doing business as The Estate and Trust Law Group. At times, Kaizen recommends the services of The Estate and Trust Law Group for implementation of estate planning recommendations made by Kaizen. Should a client elect to utilize The Estate and Trust Law Group for estate planning services, the client will be required to enter into a separate written agreement for such services, and pay applicable legal fees. Clients should be aware that any applicable legal fees will be in addition to and separate from the advisory fees incurred by Kaizen. Mr. Zayed will also receive individual compensation in the form of profits due to his role as a shareholder in The Estate and Trust Law Group. This creates a conflict of interest in that Mr. Zayed, through Kaizen, has a financial incentive to recommend the Estate and Trust Law Group for estate planning services. The client has the sole responsibility for determining whether to implement any such recommendations made by Kaizen, and which outside counsel to use for such services. Mr. Zayed also has an ownership interest in Brookstone Capital Management, LLC ("Brookstone"), an SEC Registered Investment Adviser. Brookstone serves as an advisor to individuals, pension and/ or profit sharing plans, trusts, estates,

charitable organizations, corporations and other business entities, and also is the Wrap Sponsor to the wrap program for which Kaizen serves as a sub-adviser. Mr. Zayed devotes a significant amount of time to his role with Brookstone. In addition, Mr. Zayed has an ownership in Kaizen Financial Distributors, Inc., in which Kaizen advised funds and managed accounts are distributed to other financial institutions.

Mr. Young, the President and Chief Compliance Officer of Kaizen, is also the President of Kaizen Financial Distributors, Inc. (“Kaizen Distributors”), which serves as distributor for the Funds. Kaizen Financial Distributors will receive normal distribution fees when conducting this activity. Mr. Young is engaged as an insurance agent (License# 000303753) and is appointed with various insurance companies. Additionally, Mr. Young is a Registered Representative of IMST Distributors, LLC an unaffiliated registered broker-dealer, member of FINRA/SIPC. He offers securities and receives normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation Mr. Young may earn. Material conflicts which arise by Mr. Young’s affiliation with IMST Distributors and/or various unaffiliated insurance companies are disclosed to clients at the time of entering into any new advisory, brokerage or insurance arrangement. Clients are not obligated to implement recommended transactions through any Kaizen Advisory representative or any particular broker-dealer or insurance agency.

These outside activities and affiliations create conflicts of interest in that Kaizen’s owners’ obligations to these outside interests either conflict with the advisement provided by Kaizen or take up a substantial amount of their time and therefore the time spent on providing the advisory services described herein are limited by virtue of their obligations to these outside interests. Although Kaizen’s owners will devote as much time to the business and affairs of Kaizen as is reasonably necessary to deliver the advisory services described herein, they devote a significant portion of their time to the affairs of these other activities and affiliations. Kaizen has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the firm’s fiduciary duty to its clients, Kaizen and its owners will endeavor at all times to put the interest of its investment advisory clients first. Additionally, the conflicts presented by this practice are disclosed to clients at the time of entering into an agreement with Kaizen, primarily through delivery of this Brochure.

Investment in the Funds

When suitable, Kaizen recommends that certain SMA clients purchase Funds where Kaizen serves as an adviser to the Fund. Notably, a conflict of interest exists since Kaizen receives both fees for the management of the SMA client’s assets as well as those assets invested in the Fund. As part of Kaizen’s fiduciary duty to clients, the Firm will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Further, should such a recommendation occur, any portion of a SMA client’s account assets that are invested in the respective Fund will not be subject to Kaizen’s asset management fee. However, the SMA client will be subject to the fees and charges applicable to all shareholders of the Fund, which includes an advisory fee paid to Kaizen, as outlined in Item 5 above as well as in the Fund’s prospectus and statement of additional information. Additionally, the conflicts related to these services are disclosed by Kaizen to SMA clients at the time of entering into an advisory agreement through the delivery of this Disclosure Brochure (Form ADV Part 2A).

NFA Registration

Kaizen has registered with the National Futures Association (“NFA”) under NFA ID# 0489085 as a Commodity Trading Advisor (“CTA”) and Commodity Pool Operator (“CPO”). In addition, certain employees of Kaizen, including Mr. Young, are registered with the NFA as Associated Persons. For purposes of clarification, Kaizen is only registered as a commodity pool operator with respect to certain Funds, and does not employ investment techniques that would require registration with NFA as part of portfolios managed on behalf of individual clients.

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

1. Code of Ethics and Personal Trading

We strive to adhere to the industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “**Code**”) to help us meet these standards. The guiding principle of the Code is that at no time should we place our best interest ahead of the best interest of the client.

Clients, prospective clients, Fund investors, and prospective investors may review a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

2. Participation or Interest in Client Transactions

Our employees may invest in the same investments and funds that are used by clients. As such, at times the interests of the Adviser or employees accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any employee receive an added benefit or advantage over clients with respect to these transactions. All applicable rules of the Investment Advisors Act of 1940 (the "Act") will be strictly enforced.

3. Personal Trading

Subject to the Code, as described above, we and our partners, principals, employees, and other affiliates engage in investment activities for our own account or for family members and friends. These activities involve the purchase and sale of securities that are the same as, but in different concentrations or effected at different times and prices than, those purchased or sold for Client accounts. These activities also involve the purchase and sale of securities that are different from those purchased for Client accounts. The Code places restrictions on personal trades by employees. No employee may purchase or otherwise acquire direct or indirect beneficial ownership of any security in an initial public offering or a limited offering without first obtaining preclearance and reports to the Firm. Additionally, no employee may purchase or otherwise dispose of any reportable security if there is an open order at the Adviser to purchase or sell the security, unless approval is obtained prior to initiating the transaction.

4. Other Related Conflicts and Practices

Gifts and Entertainment. Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We and our affiliates may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisors Act of 1940.

Side Letters. The Adviser currently do not manage hedge funds, and therefore does not currently utilize side letters.

Disclosure of Portfolio and Other Information. We sometimes provide portfolio holdings information to entities that have been retained by Fund investors to evaluate portfolio risk. We provide this information in our sole discretion, and reserve the right to cease providing information at any time. We make reasonable efforts to preserve the confidentiality of the information we provide, such as by entering into non-disclosure agreements, but we cannot ensure that the entities we provide information to will fulfill their confidentiality obligations.

As part of their due diligence, Fund investors will periodically request information pertaining to both Kaizen and investments in the Fund. Kaizen will respond to these requests, and may provide information that is not generally made available to other Fund investors. When we provide this information, we do so without an obligation to update any such information provided. However, we endeavor to provide the information requested in the most current form available.

Item 12 – Brokerage Practices

1. General Brokerage Practices

We attempt to allocate portfolio transactions for Client accounts to broker-dealers on the basis of best execution available—i.e., execution in a manner that the Client's total cost or proceeds in each transaction is most favorable under the circumstances. Current SEC guidelines do not require the Adviser to select the lowest cost provider of trade and execution services. We consider a variety of factors regarding broker-dealers in seeking best execution, including:

- Products Offered
- Level of Service
- Cost
- Technological Capabilities

Clients should expect that their securities transactions will generate a substantial amount of brokerage commissions and other costs, all of which is borne by the Client, and not us. Except in cases where a separately managed account Client has directed us to use a specific broker-dealer, we have complete discretion to decide what broker-dealers or other counterparties will be used in executing transactions for Clients, and we negotiate the rates of compensation that Clients will pay.

In addition to using brokers as “agents” and paying resulting commissions, we sometimes cause Client accounts to buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs, and also cause Client accounts to buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

2. TD Ameritrade Institutional

Kaizen participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional, A division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”). TD Ameritrade is an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. As disclosed above, Kaizen participates in TD Ameritrade’s institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Kaizen’s participation in the program and the investment advice it gives to its clients, although Kaizen receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits 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 Kaizen 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; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Kaizen by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Kaizen’s related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit Kaizen but may not benefit its client accounts. These products or services may assist Kaizen in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Kaizen manage and further develop its business enterprise. The benefits received by Kaizen or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Kaizen endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Kaizen or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Kaizen’s choice of TD Ameritrade for custody and brokerage services.

3. Research and Other Soft Dollar Benefits

Clients may pay for research and execution services with “soft” or commission dollars. While Clients benefit from many of the services obtained with “soft dollars” generated by Client trades, each Client will not benefit exclusively.

In addition, we and our affiliates also derive direct or indirect benefits from soft dollar services—this is particularly true to the extent that we use “soft” or commission dollars to pay for expenses that we would otherwise be required to pay for out of pocket. Therefore, we have an incentive to select broker-dealers based on our interest in receiving the research or other products or services at reduced cost to us, rather than based on the Clients’ interest in receiving most favorable execution.

We do not seek to allocate soft dollar benefits to Client accounts proportionally to the soft dollar credits those

accounts generate. Rather, we use soft dollar benefits to service all clients' accounts. However, each client may not benefit from each of the services that we pay for with soft dollars, and therefore, in the case of any particular transaction or transactions, a client may pay higher commission rates without receiving any benefit.

As noted above, in allocating Client brokerage, we generally consider, among other things, research and execution services provided by brokers. We do not preclude allocations to brokers that do not provide research and other soft dollar services, but the proposed relationships with brokerage firms that do provide soft dollar services to us influences our judgment in allocating brokerage business and creates a conflict of interest.

We believe that our allocation of brokerage business will help Clients to obtain research and execution capabilities and will provide other benefits to Clients, but Client trades executed through these brokers or dealers or any other brokerage firm may or may not be at the best or lowest price otherwise available.

Section 28(e) Safe Harbor. Section 28(e) of the Exchange Act provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. We intend that all soft dollar payments will fall within the safe harbor of Section 28(e). Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a broker a commission for effecting a transaction in excess of the amount of commission another broker would have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker. Below we have described examples of research and brokerage services that fall within the safe harbor of Section 28(e). We may use commissions that Clients generate for any of these eligible research and brokerage services as well as any others that fall within the safe harbor of Section 28(e).

4. Directed Brokerage

We permit separately managed account Clients to select their own counterparties and direct us to execute transactions through a specified broker-dealer or broker-dealers. However, when acting pursuant to these instructions we may be unable to achieve most favorable execution, which can result in additional costs and expenses for the Client. For example, Clients may pay higher brokerage commissions and may receive a less favorable price when buying or selling if they cannot participate in an aggregated trade along with other Client orders executed through broker-dealers that we selected. Additionally, directed brokerage account trades are generally placed by Kaizen after effecting trades for other clients of Kaizen.

5. Trade Aggregation

When buying and selling investments for Clients, we may aggregate multiple transactions into one order so that as many eligible Clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms. Although certain Clients may be excluded from a given aggregated order, it is the Adviser's intent that no Client is favored over any other on an overall, long-term basis. Each Client that participates in an aggregated order participates at the average price, except as noted below.

In assembling an aggregated order in specific securities (including privately offered investments and securities for which market quotations are not readily available) we consider the appropriateness of the investment for each Client based on their risk tolerances and objectives, among other factors.

6. Allocation of Aggregated Orders and Other Investment Opportunities

We consider a number of factors when allocating aggregated orders and other investment opportunities to individual Client accounts. Kaizen may allocate on a basis other than pro rata, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to other accounts, and results in fair access over time to trading opportunities for all eligible managed accounts. For example, we may identify investment opportunities that are more appropriate for certain accounts than others, based on such factors as security restrictions, tax status, account size, available cash and cash flows. Consequently, we may decide it is more appropriate to place a given security in one account rather than another account. Other non-pro rata methods include rotation allocation and random allocation. Alternative methods of allocations are appropriate, for example, when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts. In addition, in order to efficiently liquidate portfolio positions, we may aggregate the orders for accounts to be closed separate from the rest of its orders.

We strive to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment.

We will provide additional detail about our order aggregation and allocation policy upon request. Although the above discussion provides a summary of our policy, our actual practices are governed by the policy we currently have in place, and not by this summary. We may revise or amend our policy at any time, without notice to Clients or Fund investors.

7. Other Brokerage Practices, Issues, and Conflicts

Allocation of Our Time and Resources. Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. We are not obligated to devote any specific amount of time to the affairs of any Client and are generally not required to accord exclusivity or priority to any Client in the event of limited investment opportunities arising from the application of speculative position limits or other factors. Our personnel devote time to the affairs of our Clients as they, in their discretion, determine to be necessary for the conduct of our business.

Trade Errors. We have established policies and procedures regarding the handling of trading errors in Client accounts (e.g., the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). Pursuant to these policies and procedures, we try to correct errors as soon as practicable after discovery to ensure that Clients do not incur a loss. Where trading errors result in gains for the Client account, the account is credited with such gains. On the other hand, if a trading error results in a loss that occurs solely in a Fund account, we make Clients whole by reversing out the trade at our own expense. For separately managed accounts, we will make the client whole for losses that occur due to our gross negligence.

Item 13 – Review of Accounts

We review Fund accounts and portfolios daily and this review is carried out by our portfolio management team. The Fund provides Fund investors with monthly and quarterly reports and statements indicating the current market value of their interests. SMAs are monitored by the portfolio management team on an ongoing basis, which includes detailed periodic reviews. The frequency of reviews is at the discretion of Kaizen, but accounts are typically reviewed not less than annually. Accounts are reviewed for performance, consistency with the investment strategy and SMA client objectives, and other account parameters in order to determine if any adjustments need to be made.

In addition to the periodic reviews described above, reviews may be triggered by changes in a Client's financial status. Client holdings also are reviewed when changing market conditions warrant such review. Clients are encouraged to notify the Firm of any changes that might affect the Client's investment needs.

For SMA clients, written account statements are generated no less than quarterly and are sent directly from the account custodian. These statements list the account positions, activity in the account over the covered period, and other related information, including any fees deducted from the account. Clients are urged to carefully review all account statements. In addition, SMA clients may receive other supporting reports from mutual funds, trust companies, broker-dealers or insurance companies based on their involvement with the account and their applicable internal reporting requirements.

Item 14 – Client Referrals and Other Compensation

1. Economic Benefits Received

As discussed under Item 12, Kaizen may enter into "soft dollar" arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Kaizen in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by Kaizen, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such

benefits rather than on a client's interest in receiving most favorable execution.

Otherwise, Kaizen or a related person does not have any arrangement, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

2. Compensation for Client Referrals

Kaizen has retained solicitors and will pay solicitation fees for clients who are referred to Kaizen. All such agreements are in writing and comply with the applicable state and federal regulations. When a referred client is introduced by a solicitor, Kaizen will pay that solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon a varying percentage of the fees paid to Kaizen by such referred clients. Any such fee shall be paid solely from Kaizen's investment management fee, and shall not result in any additional charge to the client. Kaizen only conducts business with registered solicitors or solicitors that are not required to be registered because they are exempt from registration requirements.

Item 15 - Custody

Kaizen does not have custody of SMA client account assets. However, per applicable regulations, Kaizen is deemed to have "constructive custody" of SMA client funds or securities by reason of the fact that Kaizen has authority to debit its fees directly from such client's accounts. To mitigate any potential conflicts of interests, all Kaizen SMA client account assets will be maintained with an independent qualified custodian.

SMA clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. SMA clients are urged to carefully review all custodial statements. Please refer to Item 12 for additional important disclosure information relating to Kaizen's practices and relationships with custodians.

If funds or securities are inadvertently received by Kaizen, they are returned to the sender immediately or as soon as practical.

The Fund generally provides Fund investors with the Fund's annual audited financial statements prepared by an independent public accountant.

Item 16 – Investment Discretion

We generally receive and exercise discretionary authority to manage investments on behalf of clients. As noted in Item 4 above, SMA clients may impose limitations on this discretion with respect to (1) the specific types of investments or asset classes that we will or will not purchase for their account; (2) the nature of the issuers of investments that we will or will not purchase for their account or (3) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole. SMA clients may also direct us to use a particular broker-dealer or broker-dealers.

We typically assume this authority through a power of attorney or contract provision granted or entered into by a Client, or through the constituent documents of a Fund.

Item 17 – Voting Client Securities

For SMA clients, Kaizen's policy and practice is to not vote proxies on behalf of such clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a SMA client's account, unless the account is an ERISA account and such authority has not been delegated to another named fiduciary in the plan's written documents. Consequently, the Client retains the responsibility for receiving and voting all proxies for securities held within the SMA client's account.

Kaizen shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a SMA client. Further, Kaizen typically does not advise or act for SMA clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in SMA clients' accounts.

For Fund clients, Kaizen has adopted proxy voting policies and procedures (the "Proxy Policies"). Under these Proxy Policies, our general policy is to vote proxy proposals, amendments, consents or resolutions relating to Fund client securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of Fund client accounts. In determining how to vote proxies, we generally will adhere to the policies laid out in the Firm's Policies and Procedures, outlined in the Compliance Manual.

You may request a copy of our Proxy Policies and the proxy voting record relating to your account by contacting us at the address or telephone number listed on the first page of this document.

Item 18 – Financial Information

Kaizen does not require or solicit prepayment of more than \$500 in fees per Client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Additionally, Form ADV Part 2 requires investment advisers such as Kaizen Advisory, LLC to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. At this time, we have no information to report that is applicable to this item