



Part 2A of Form ADV
Sub-Advisory Program Brochure
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7-30-18

This brochure provides **information about the qualifications and business practices of Fundamentum, LLC**. If you have any questions about the contents of this brochure, please contact us at (866) 553-9882 or by email at: team@fundamentuminvestment.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

Fundamentum, LLC is registered with the U.S. Securities and Exchange Commission. Note, however, that such registration does not imply a certain level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2: Material Changes

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Program Brochure.

Clients wishing to receive a complete copy of this brochure may download it from the SEC Website as indicated on page 1 of this brochure or contact our Chief Compliance Officer at 440-505-5620.

This section describes the material changes to Fundamentum's brochure since its last filing.

Amendments to Form ADV Part 2A, Disclosure Brochure

During the time period of January 1st- January 31st, 2017, there have been no material changes.

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Item 4: Services Fees and Compensation

Fundamentum, LLC is a Limited Liability Company. The firm was formed in May 2016 and is owned by Stratos Wealth Holdings LLC, which in turn is majority owned by Jeffrey Alan Concepcion.

Stratos Wealth Holdings LLC directly owns 100% the following SEC Registered Investment Advisors:

1. Fundamentum, LLC (hereinafter "Fundamentum"), an asset management firm acting primarily as a subadviser;
2. Stratos Wealth Partners, LTD, (hereinafter "SWP") a retail investment firm offering advice primarily through IARs who are securities licensed through LPL Financial Corporation ("LPL Financial") Member FINRA/SIPC; and,
3. Stratos Wealth Advisors, LLC, (hereinafter "SWA") a retail investment firm offering advice primarily through IARs who are not securities licensed.

A. Description of Services

Overview & Fees

Fundamentum offers ongoing portfolio management based on the individual goals, objectives, time horizon, and risk tolerance of each client.

Fundamentum primarily acts as a sub-adviser to investment advisors. Its portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Regular portfolio monitoring

Fundamentum will typically require discretionary authority in order to select securities and execute transactions without permission from the client prior to each transaction. However, the firm may also provide non-discretionary portfolio management if needed. Fundamentum recommends Fidelity Brokerage Services LLC, to maintain custody of clients' assets and to effect trades for their accounts, but may permit clients to request trades be executed through another specified broker-dealer. Fundamentum seeks to provide investment decisions that are made in accordance with the fiduciary duties owed to its accounts and without consideration of

Fundamentum's economic, investment or other financial interests. To meet its fiduciary obligations, Fundamentum attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Fundamentum's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Fundamentum's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time. Clients should refer to Item 8 below for further details regarding Fundamentum's model portfolios.

The fee schedule for management fees is set forth below:

Tactical, Enhanced Index, and Global Equity Models

<u>Low Break</u>	<u>High Break</u>	<u>Annual Fee</u>
\$ 100,000.00	\$ 499,999.99	0.25%
\$ 500,000.00	\$ 749,999.99	0.23%
\$ 750,000.00	\$ 1,249,999.99	0.21%
\$ 1,250,000.00	\$ 4,999,999.99	0.19%
\$ 5,000,000.00	\$ 24,999,999.99	0.15%
\$ 25,000,000.00	and up	0.11%

** The minimum account size for each strategy is set forth below.*

Strategic and Enhanced Indexed Focused Models (Small Account Solutions)

<u>Low Break</u>	<u>High Break</u>	<u>Annual Fee</u> *
All Assets		0.25%

** The minimum account size for each strategy is set forth below.*

Quantitative and Hybrid Models

<u>Low Break</u>	<u>High Break</u>	<u>Annual Fee</u> *
All Assets		0.45%

** The minimum account size for each strategy is set forth below.*

Fundamentum uses an average of the daily balance in the client's account throughout the billing period for purposes of determining the market value of the assets upon which the advisory fee is based. Please see below for details regarding administrative fees specific to different models. Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization quarterly in advance. Advisory fees are generally negotiable.

Clients may terminate the provision of services without penalty within five (5) business days after entering into the advisory agreement. Thereafter, clients may terminate the provision of services without penalty for a prorated refund of Fundamentum's fees generally with 10 days' written notice.

Description of Model Portfolios

Fundamentum Tactical Models

Accounts managed based on a Fundamentum Tactical Model Portfolio will be managed similar to other clients utilizing this model. There are no guarantees a portfolio managed based on a model will ensure positive results. Past performance is no guarantee of future results. Further, any model account assembled based on prior performance analysis has the benefit of having knowledge of all facts of the market and performance of securities after the fact.

- Tactical Conservative Composite contains all discretionary portfolios managed to the Fundamentum Tactical Conservative strategy. This composite is a Tactical Conservative strategy consisting of primarily mutual funds, but can include exchange traded products, closed end funds, and individual securities (bond or equities). Its inception year is 2011. The benchmark for this strategy is a 65%/35% mix of the Barclays Capital US Aggregate Bond Total Return index and the MSCI All Country World Investable Market Index Net Return. Composite minimum is \$100,000.
- Tactical Moderate Composite contains all discretionary portfolios managed to the Fundamentum Tactical Moderate strategy. This composite is a Tactical Moderate strategy consisting of primarily mutual funds, but can include exchange traded products, closed end funds, and individual securities (bond or equities). Its inception year is 2011. The benchmark for this strategy is a 55%/45% mix of MSCI All Country World Investable Market Index Net Return and the Barclays Capital US Aggregate Bond Total Return index. Composite minimum is \$100,000.

- Tactical Growth Composite contains all discretionary portfolios managed to the Fundamentum Tactical Growth strategy. This composite is a Tactical Growth strategy consisting of primarily mutual funds, but can include exchange traded products, closed end funds, and individual securities (bond or equities). Its inception year is 2011. The benchmark for this strategy is a 70%/30% mix of the MSCI All Country World Investable Market Index Net Return and the Barclays Capital US Aggregate Bond Total Return index. Composite minimum is \$100,000.
- Tactical High Income Composite contains all discretionary portfolios managed to the Fundamentum Tactical High Income strategy. This strategy is a Tactical High Income strategy consisting of primarily mutual funds, but can include exchange traded products, closed end funds, and individual securities (bond or equities). Its inception year is 2011. The benchmark for this strategy is a 40%/30%/30% mix of the Barclays US High Yield 2% Issuer Capped Index, the Barclays US Aggregate Bond Total Return index, and S&P 500 index. Composite minimum is \$100,000.
- Tactical Low Duration Income Composite contains all discretionary portfolios managed to the Fundamentum Ultra Low Duration strategy. This composite is a Tactical Ultra Low Duration strategy consisting of primarily mutual funds, but can include exchange traded products, closed end funds, and individual securities (bond or equities). Its inception year is 2017. The benchmark for this strategy is a 50%/50% mix of the Bloomberg Barclays US 1-5 Year Government Credit Float Adjusted Total Return Index and the Bank of America Merrill Lynch US Treasuries 1-3 Year Total Return Index. Composite minimum is \$100,000.

Clients selecting a Fundamentum Tactical Model Portfolio are advised Fundamentum will charge a management fee of 25 basis points (0.25%) directly to the client. The management fee is for Fundamentum's administration, investment research, and oversight of the model portfolios.

Fundamentum Strategic Models

Accounts managed based on a Fundamentum Strategic Model will be managed similar to other clients utilizing this model. There are no guarantees a portfolio managed based on a model will ensure positive results. Past performance is no guarantee of future results. Further, any model account assembled based on prior performance analysis has the benefit of having knowledge of all facts of the market and performance of securities after the fact.

- Strategic Conservative Composite contains all discretionary portfolios managed to the Fundamentum Strategic Conservative strategy. The benchmark for this strategy is a 65%/35% mix of the Barclays Capital US Aggregate Bond Total Return index and the MSCI All Country World Investable Market Index Net Return. The inception year is 2015, and the account minimum is \$10,000.
- Strategic Moderate Composite contains all discretionary portfolios managed to the Fundamentum Strategic Moderate strategy. Its inception year is 2012. The benchmark for this strategy is a 55%/45% mix of MSCI All Country World Investable Market Index Net Return and the Barclays Capital US Aggregate Bond Total Return indices. Composite minimum is \$10,000.
- Strategic Growth Composite contains all discretionary portfolios managed to the Fundamentum Strategic Growth strategy. Its inception year is 2012. The benchmark for this strategy is a 70%/30% mix of the MSCI All Country World Investable Market Index Net Return and the Barclays Capital US Aggregate Bond Total Return index. Composite minimum is \$10,000.

Clients selecting a Fundamentum Strategic Model Portfolio are advised Fundamentum will charge a management fee of 25 basis points (0.25%) directly to the client. The management fee is for Fundamentum's administration, investment research, and oversight of the model portfolios.

Fundamentum Quantitative Models

Accounts managed based on a Fundamentum Quantitative Models will be managed similar to other clients utilizing this model. There are no guarantees a portfolio managed based on a model will ensure positive results. Past performance is no guarantee of future results. Further, any model account assembled based on prior performance analysis has the benefit of having knowledge of all facts of the market and performance of securities after the fact.

- The Quantitative Conservative Composite contains all discretionary portfolios managed to the Fundamentum Quantitative Conservative strategy. The strategy is an unconstrained approach to prudent income investing. It carries a primary objective of income generation and a secondary objective of capital appreciation. Investments will predominantly be represented by ETFs. While the portfolio is primarily allocated to fixed income instruments it can hold REITS, MLPs and a max weighting of 20% in equities. When appropriate, interest rate hedging strategies will also be utilized to lower overall portfolio duration. The benchmark for this strategy is the Barclays Capital US Aggregate Bond Index. The account minimum is \$100,000.

- The Quantitative Moderate Composite contains all discretionary portfolios managed to the Fundamentum Quantitative Moderate strategy. The strategy is to use diversification and market analysis to achieve strong risk adjusted results. This portfolio is willing to sacrifice short and medium-term upside to protect against significant market downside. The portfolio is weighted between five asset classes (US equities, International equities, REIT's, Commodities and Treasuries) and the portfolio's exposure to each asset classes (sleeve) is determined based upon the outcomes of the underlying analysis. If risk is decided to be too prevalent in a specific asset class, that sleeve may be moved to 100% cash and/or bonds. A sleeve will remain in cash and/or bonds until our risk management analysis indicates the potential reward outweighs the potential risk. By raising significant cash/bonds when the model sees the potential for extreme downside, and then moving back invested when the model sees opportunity, the portfolio strives to achieve positive long-term risk adjusted results. The benchmark for this strategy is a 50%/50% weighting of the Barclays Capital US Aggregate Bond Index and the MSCI All Country World Investible Market Index (IMI) Net Return. The account minimum is \$100,000.
- The Quantitative Growth Composite contains all discretionary portfolios managed to the Fundamentum Quantitative Growth strategy. The strategy is to use diversification and market analysis to achieve strong risk adjusted results. This portfolio is willing to sacrifice short and medium-term upside to protect against significant market downside. The portfolio is weighted between five asset classes (US equities, International equities, REIT's, Commodities, and Treasuries) and the portfolio's exposure to each asset classes (sleeve) is determined based upon the outcomes of the underlying analysis. The Quantitative Growth Composite overweights the portfolio's allocation to US and International equity versus the other asset classes (sleeves). If risk is decided to be too prevalent in a specific asset class, that sleeve may be moved to 100% cash and/or bonds. A sleeve will remain in cash and/or bonds until our risk management analysis indicates the potential reward outweighs the potential risk. By raising significant cash/bonds when the model sees the potential for extreme downside, and then moving back invested when the model sees opportunity, the portfolio strives to achieve positive long-term risk adjusted results. The benchmark for this strategy is a 70%/30% weighting of the MSCI All Country World Investable Market Index (IMI) Net Return and the Barclays Capital US Aggregate Bond Total Return Index. The account minimum is \$100,000.

The Quantitative Global Equity contains all discretionary portfolios managed to the Fundamentum Quantitative Global Equity strategy. The strategy to use a flexible, actively managed portfolio that can include investments in both domestic markets as well as developed and emerging foreign economies. The strategy uses an asset allocation model that considers relevant indicators among Psychology, Monetary, and Valuation paired with a technical overlay. This approach is designed to take advantage of major market turning points and to remove emotions from investing.

The portfolio can increase its cash position or initiate a US Treasury allocation when the analysis recommends less equity exposure and sees an investment opportunity in fixed income. Particular emphasis is put on US sectors and styles featuring improving relative strength rankings in the US equity portion of the portfolio. Emphasis is put on countries featuring improving relative strength rankings in the International portion of the portfolio. The portfolio seeks to participate in the upside of equity markets globally, while managing risk to help minimize the downside of these markets. The benchmark for this strategy is the MSCI All Country World Investable Market Index (IMI) Net Return. The account minimum is \$100,000.

Clients selecting a Fundamentum Quantitative Model Portfolio are advised Fundamentum will charge a management fee of 45 basis points (0.45%) directly to the client. The management fee is for Fundamentum's administration, investment research, and oversight of the model portfolios.

Fundamentum Hybrid Models

Fundamentum Hybrid Model Portfolio includes three (3) model portfolios. Fundamentum Hybrid models are managed as an approximately 50/50 blend of a Fundamentum Tactical Model Portfolio and a Fundamentum Quantitative Model Portfolio. The goal of these blended strategies is to lower overall volatility across the range of client investment objectives.

- Hybrid Conservative Composite contains all discretionary portfolios managed to the Fundamentum Hybrid Conservative strategy. This strategy is a 50%/50% combination of the Fundamentum Quantitative Conservative and Tactical Conservative strategies. The account minimum is \$200,000.
- Hybrid Moderate Composite contains all discretionary portfolios managed to the Fundamentum Hybrid Moderate strategy. This strategy is a 50%/50% combination of the Fundamentum Quantitative Moderate and Tactical Moderate strategies. The account minimum is \$200,000.
- Hybrid Growth Composite contains all discretionary portfolios managed to the Fundamentum Hybrid Growth strategy. This strategy is a 50%/50% combination of the Fundamentum Quantitative Growth & Tactical Growth strategies. The account minimum is \$200,000.

Clients selecting a Fundamentum Hybrid Model Portfolio are advised Fundamentum will charge a management fee of 45 basis points (0.45%) directly to the client. The management fee is for Fundamentum's administration, investment research, transaction costs, and oversight of the model portfolios.

Fundamentum Enhanced Index Models

Accounts managed based on a Fundamentum Enhanced Index Models will be managed similar to other clients utilizing this model. There are no guarantees a portfolio managed based on a model will ensure positive results. Past performance is no guarantee of future results. Further, any model account assembled based on prior performance analysis has the benefit of having knowledge of all facts of the market and performance of securities after the fact.

- Enhanced Index Conservative Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Conservative strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 35% Barclays Capital US Aggregate Bond Total Return index, 29% BofAML US Treasury 1 Year Total Return Index, 16% Citi World Govt Bond Total Return Index and 20% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Moderate Conservative Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Moderate Conservative strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 26% Barclays Capital US Aggregate Bond Total Return index, 22% BofAML US Treasury 1 Year Total Return Index, 12% Citi World Govt Bond Total Return Index and 40% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Moderate Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Moderate strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 29% Barclays Capital US Aggregate Bond Total Return index, 3% BofAML US Treasury 1 Year Total Return Index, 8% Citi World Govt Bond Total Return Index and 60% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Growth Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Growth strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 13% Barclays Capital US Aggregate Bond Total Return index, 3% BofAML US Treasury 1 Year Total Return Index, 4% Citi World Govt Bond Total Return Index and 80% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Aggressive Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Aggressive strategy. This strategy

consists of exchange traded funds and mutual funds. The benchmark for this strategy is the MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$100,000.

- Enhanced Index Moderate-US Only Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Moderate-US Only strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 37% Barclays Capital US Aggregate Bond Total Return index, 3% BofAML US Treasury 1 Year Total Return Index and 60% Russell 3000 Total Return Index. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Aggressive-US Only Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Aggressive-US Only strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is the Russell 3000 Total Return Index. The inception year is 2017, and the account minimum is \$100,000.
- Enhanced Index Focused Conservative Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Focused Conservative strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 35% Barclays Capital US Aggregate Bond Total Return index, 28% BofAML US Treasury 1 Year Total Return Index, 12% Citi World Govt Bond Total Return Index and 25% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$10,000.
- Enhanced Index Focused Moderate Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Focused Moderate strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 29% Barclays Capital US Aggregate Bond Total Return index, 3% BofAML US Treasury 1 Year Total Return Index, 8% Citi World Govt Bond Total Return Index and 60% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$10,000.
- Enhanced Index Focused Growth Composite contains all discretionary portfolios managed to the Fundamentum Enhanced Index Focused Growth strategy. This strategy consists of exchange traded funds and mutual funds. The benchmark for this strategy is as follows: 13% Barclays Capital US Aggregate Bond Total Return index, 3% BofAML US Treasury 1 Year Total Return Index, 4% Citi World Govt Bond Total Return Index and 80% MSCI All Country World Investable Market Index Net Return. The inception year is 2017, and the account minimum is \$10,000.

Clients selecting a Fundamentum Enhanced Index Model are advised Fundamentum will charge a management fee of 25 basis points (0.25%) directly to the client. The

management fee is for Fundamentum's administration, investment research, and oversight of the model portfolios.

Fundamentum Global Individual Equity Model

Accounts managed based on a Fundamentum Global Individual Equity Model will be managed similar to other clients utilizing this model. There are no guarantees a portfolio managed based on a model will ensure positive results. Past performance is no guarantee of future results. Further, any model account assembled based on prior performance analysis has the benefit of having knowledge of all facts of the market and performance of securities after the fact.

- Global Individual Equity Composite contains all discretionary portfolios managed to the Fundamentum Global Individual Equity strategy. This strategy consists of individual equities and may include exchange traded funds and mutual funds and modest levels. The benchmark for this strategy is the S&P Global 100 Total Return Index. The inception year is 2017, and the account minimum is \$100,000.

Clients selecting a Fundamentum Global Individual Equity Model are advised Fundamentum will charge a management fee of 25 basis points (0.25%) directly to the client. The management fee is for Fundamentum's administration, investment research, and oversight of the model portfolios.

Fundamentum may also offer other strategies, including passive strategies, separate from the models described above. Custom strategies may not be available to new clients, and must be approved on a case by case basis.

Fundamentum may utilize third party research and signal providers to assist in analyzing investment opportunities; Fundamentum will then choose how to act on that information in executing its analysis and investment strategies.

B. Additional Fees

Clients who invest with Fundamentum may also have to pay for transaction (trading) costs. Clients should refer to their Investment Advisor for information related to other fees and transaction costs. Clients may be subject to additional fees charged by Advisor and custodian. We do not receive, directly or indirectly any of the following fees that may be charged to you. All of these fees may not be applicable but if charged they include, among others:

- Accounts holding Alternative Investments will be charged an annual custodial fee per position per account per year.
- Exchange fees;
- Transaction fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds/Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on Mutual funds or annuities);
- Odd-Lot differentials;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;

C. Compensation of Client Participation

Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under Fundamentum's. Fees may be more or less than the client would have paid if the services (account management, custody and brokerage transactions) were purchased separately outside of the program.

Item 5: Account Requirements and Types of Clients

Fundamentum generally provides advisory services to the following types of clients:

- ❖ Other Investment Advisers
- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is an account minimum of \$10,000 for the Strategic and Enhanced Index Focused Models, an account minimum of \$100,000 for the Quantitative Models and Tactical Models, and an

account minimum of \$200,000 for the Hybrid Models. These may be waived in the firm's sole discretion. Otherwise, Fundamentum does not have an account minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

Fundamentum will not select any outside portfolio managers for asset management. Fundamentum will be the sole portfolio manager for services described herein.

Fundamentum will use industry standards to calculate portfolio manager performance. Fundamentum reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by Fundamentum.

B. Related Persons

Fundamentum and some of its personnel serve as the portfolio managers for all program accounts. This is a conflict of interest in that no outside adviser assesses Fundamentum's management. However, Fundamentum addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager.

C. Advisory Business

Fundamentum offers portfolio management services to participants as discussed in Item 4 above.

Performance-Based Fees and Side-By-Side Management

Fundamentum does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. Representatives of Fundamentum may act as advisors for other accounts (e.g., accounts with SWA, SWP, or LPL Financial – see Item 4). The representatives' compensation may be higher or lower for substantially the same account management.

Services Limited to Specific Types of Investments

Fundamentum generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds or commodities. Fundamentum may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

Fundamentum offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Fundamentum, operating as a subadviser, will rely on the main client advisor to determine and communicate suitability to Fundamentum for each client using Fundamentum subadvisory services.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Wrap Fee Program

Fundamentum sponsors and acts as portfolio manager for a wrap fee program; this program is described in a separate ADV Part 2. As custodial pricing is determined by the Investment Advisor, Fundamentum is unable to provide a wrap program to Clients of non-affiliated Investment Advisors. The wrap fee program is only available to Clients of Stratos Wealth Partners, LTD or Stratos Wealth Advisors, LLC

Methods of Analysis and Investment Strategies

Fundamentum's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis or Technical analysis.

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

Cyclical analysis involves the analysis of business cycles to find 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.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

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

Fundamentum uses long term trading or short-term trading. **Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

Material Risks Involved

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in 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.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two- fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

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.

Modern portfolio theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky

one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

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 take into account new patterns that emerge over time.

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, margin transactions, 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.

Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. 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. 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 may 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 may be 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 may be 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.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

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.

Voting Client Proxies

Fundamentum will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

Fundamentum is the subadvisor for this program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by the advisor and communicated to Fundamentum. As that information changes and is updated, Fundamentum will be provided with that information once collected by the main client advisor.

Item 8: Client Contact with Portfolio Managers

Fundamentum places no restrictions on client ability to contact its portfolio managers. Fundamentum's portfolio manager, can be contacted during regular business hours and contact information is on the cover page of Portfolio Managers' Fundamentum Part 2B of Form ADV: brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

There are no criminal, civil, administrative, or self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Certain Fundamentum personnel may be registered representative of a broker/dealer as disclosed below.

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

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

Registration Relationships and Conflicts of Interests

Fundamentum is under common control with other investment advisory firms, SWA and SWP, as defined in Item 4. SWA and SWP have overlap in personnel with Fundamentum and use Fundamentum as a subadvisor for many client accounts. Some Fundamentum and SWP representatives may hold equity in Stratos Wealth Holding. This creates a conflict of interest in recommending Fundamentum as a subadvisor as there may be an indirect benefit in sharing in the profitability of Fundamentum. Fundamentum will comply at all times with its fiduciary duty as an investment adviser.

Individually, representatives of Fundamentum also have conflicts of interest due to outside business activities:

- Jeffrey Alan Concepcion is affiliated with other investment advisory firms: SWA, SWP.
- Jeffrey Alan Concepcion is a licensed insurance agent.
- Jeffrey Alan Concepcion owns real estate rental properties.
- Matthew James Dunn is a registered representative of LPL Financial.
- Matthew James Dunn is affiliated with other investment advisory firms: SWA and SWP.
- Matthew James Dunn is a licensed insurance agent.
- Nancy Eileen Andrefsky is a registered representative of LPL Financial.
- Nancy Eileen Andrefsky is affiliated with other investment advisory firms: SWA, SWP, and is an IAR of LPL Financial.
- Daniel J. Jacoby is a registered representative of LPL Financial.

- Daniel J. Jacoby is affiliated with other investment advisory firms: SWA, SWP, and is an IAR of LPL Financial.

From time to time, these individuals will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Fundamentum always acts in the best interest of the client, including in connection with recommending commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Fundamentum in connection with such individual's activities outside of Fundamentum.

Selection of Other Advisors

Fundamentum does not utilize nor select other advisors or third-party managers.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

We have 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.

Participation or Interest in Client Transactions

Related persons of Fundamentum (any advisory affiliate and any person that is under common control with Fundamentum) may buy or sell securities identical to those securities recommended to clients. Therefore, related persons may have an interest or position in certain securities that are also recommended and bought or sold to clients. Related persons will not put their interests before a client's interest. IARs may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Fundamentum is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. Fundamentum and its associated persons are

required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Fundamentum has established the following restrictions to meet its fiduciary responsibilities:

- IARs shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with Fundamentum, unless the information is also available to the investing public upon a reasonable inquiry. No person shall prefer his or her own interest to that of the advisory client.
- All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- Fundamentum emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- Fundamentum requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Fundamentum' clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above.

In accordance with Section 204A of the Investment Advisers Act of 1940, Fundamentum also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of non-public information by Fundamentum or any person associated with Fundamentum.

Periodic Reviews

Client accounts for Fundamentum's advisory services provided on an ongoing basis are reviewed at least quarterly by the firm's Chief Compliance Officer and/or an IAR of the firm to identify drift from proper allocation.

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 client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

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

Economic Benefits

Fundamentum may accept soft-dollar benefits from custodians as well as non-cash compensation from advisory product sponsors. Fundamentum has an incentive to select or recommend a particular broker-dealer/custodian based on our interest in receiving these soft-dollar benefits or non-cash compensation, rather than in the client's interest in receiving most favorable execution. These arrangements are disclosed more fully in respective separate broker-dealer/custodian brochure.

Compensation to Non-Advisory Personnel for Client Referrals

Fundamentum does not directly or indirectly compensate any person for client referrals who are not advisory personnel.

Balance Sheet

Fundamentum does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions

Neither Fundamentum nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

Fundamentum has never been the subject of a bankruptcy petition.