



Chicory Wealth  
INTEGRATING MONEY AND MEANING

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of M. Kulyk & Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (404) 294-5917 or by email at: [info@chicorywealth.com](mailto:info@chicorywealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about M. Kulyk & Associates, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). M. Kulyk & Associates, LLC's CRD number is: 290887.*

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

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## **Item 2: Material Changes**

M. Kulyk & Associates, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

M. Kulyk & Associates, LLC (hereinafter “MKAL”) is a Limited Liability Company organized in the State of Georgia. The firm was formed in October 2017, and the principal owner is the Farley-Kulyk Living Trust whose trustee is Margaret A. Kulyk .

### **B. Types of Advisory Services**

#### *Portfolio Management Services*

MKAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. MKAL creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

MKAL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. MKAL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

MKAL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of MKAL’s economic, investment or other financial interests. To meet its fiduciary obligations, MKAL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, MKAL’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 MKAL’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.

MKAL has discretion to choose third-party investment advisors to manage all or a portion of the client's assets. Before selecting other advisors for clients, MKAL will always ensure those other advisors are properly licensed or registered as an investment advisor. MKAL conducts due diligence on any third-party investment advisor, which may involve one or

more of the following: phone calls, meetings and review of the third-party advisor's performance and investment strategy. MKAL then makes investments with a third-party investment advisor by investing with the third-party advisor. These investments may be allocated either through the third-party advisor's fund or through a separately managed account managed by such third party advisor on behalf of MKAL's client. MKAL may also allocate among one or more private equity funds or private equity fund advisors. MKAL will review the ongoing performance of the third-party advisor as a portion of the client's portfolio.

### ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Tax Services***

MKAL will provide tax preparation services to clients wishing to have a tax return filed.

### ***Services Limited to Specific Types of Investments***

MKAL generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities and private placements. MKAL may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

MKAL will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by MKAL on behalf of the client. MKAL may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent MKAL from properly servicing the client account, or if the restrictions would require MKAL to deviate from its standard suite of services, MKAL reserves the right to end the relationship.

## **D. Wrap Fee Programs**

MKAL acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. However, this brochure describes MKAL's non-wrap fee advisory services; clients utilizing MKAL's wrap fee portfolio management should see the separate Wrap Fee Program Brochure. MKAL manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Fees paid under the wrap fee program will be given to MKAL as a management fee. Please also see Item 5 and Item 12 of this brochure.

## **E. Assets Under Management**

MKAL has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 133,000,000	\$0	January 2018

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### *Portfolio Management Fees*

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$250,000	1.40%
\$250,001 - \$500,000	1.15%
\$500,001 - \$1,000,000	.90%
\$1,000,001 - \$3,000,000	0.65%
\$3,000,001 - and up	0.40%

The advisory fee is calculated using the average daily balance in the account on the last business day of the prior billing period.

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty

for a full refund of MKAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### ***Selection of Other Advisors' Fees***

MKAL will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be memorialized in each contract between MKAL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency.

MKAL may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. This service may be canceled immediately upon written notice.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$1,140 and \$10,000.

Clients may terminate the agreement without penalty, for full refund of MKAL's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

### ***Payment of Selection of Other Advisors' Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party advisor selected.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid quarterly in advance and can be paid by check, wire, or credit card.



### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by MKAL. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

MKAL collects fees in arrears. In the event of termination, final fees will be calculated pro-rata using an average daily balance of the period billed.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

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

MKAL 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.

## **Item 7: Types of Clients**

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

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

There is no account minimum for any of MKAL's services.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

MKAL's methods of analysis include fundamental analysis, modern portfolio theory and quantitative analysis.

**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.

### *Investment Strategies*

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

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

## **B. Material Risks Involved**

### *Methods of Analysis*

**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 averse, 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.

## ***Investment Strategies***

MKAL's use of short sales and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

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

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisors:** Although MKAL will seek to select only money managers who will invest clients' assets with the highest level of integrity, MKAL's selection process cannot ensure that money managers will perform as desired and MKAL will have no control over the day-to-day operations of any of its selected money managers. MKAL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

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

### **C. Risks of Specific Securities Utilized**

MKAL's use of short sales and options trading generally holds greater risk of capital loss. 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.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance

policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**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.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**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.

**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.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

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

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

Neither MKAL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Margaret A Kulyk and other investment advisor representatives are independent licensed insurance agents. 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. In order to mitigate this conflict, MKAL no longer offers clients insurance products, but will continue to perform analysis of needs and proposals.

#### **D. Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections**

MKAL has discretion to choose third-party investment advisors to manage all or a portion of the client's assets. MKAL will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be memorialized in each contract between MKAL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that MKAL has an incentive to direct clients to the third-party investment advisors that provide MKAL with a larger fee split. MKAL will always act in the best interests of the client, including when determining which third-party investment advisor to recommend to clients. MKAL will ensure that all recommended advisors are licensed or notice filed in the states in which MKAL is recommending them to clients.

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

#### **A. Code of Ethics**

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

#### **B. Recommendations Involving Material Financial Interests**

MKAL does not recommend that clients buy or sell any security in which a related person to MKAL or MKAL has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of MKAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of MKAL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. MKAL will always document any transactions that could be construed as conflicts of interest and will never engage in

trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of MKAL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of MKAL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, MKAL will never engage in trading that operates to the client's disadvantage if representatives of MKAL buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on MKAL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and MKAL may also consider the market expertise and research access provided by the brokerdealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in MKAL's research efforts. MKAL will never charge a premium or commission on transactions, beyond the actual cost imposed by the brokerdealer/custodian.

MKAL will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC. MKAL participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. MKAL receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

#### ***1. Research and Other Soft-Dollar Benefits***



While MKAL has no formal soft dollars program in which soft dollars are used to pay for third party services, MKAL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). MKAL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and MKAL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. MKAL benefits by not having to produce or pay for the research, products or services, and MKAL will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that MKAL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## ***2. Brokerage for Client Referrals***

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

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

MKAL will require clients to use a specific broker-dealer to execute transactions. Not all advisors require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If MKAL buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, MKAL would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. MKAL would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

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

All client accounts for MKAL's advisory services provided on an ongoing basis are reviewed at least quarterly by Margaret A Kulyk, CEO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at MKAL are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Margaret A Kulyk, CEO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, MKAL's services will generally conclude upon delivery of the financial plan.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of MKAL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. MKAL will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

### **Item 14: Client Referrals and Other Compensation**

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

As disclosed under Item 12 above, MKAL participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between MKAL's participation in the program and the investment advice it gives to its clients, although MKAL 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 MKAL 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 MKAL by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by MKAL's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit MKAL but may not benefit its client accounts. These products or services may assist MKAL in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MKAL manage and further develop its business enterprise. The benefits received by MKAL 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, MKAL endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MKAL or its related persons in and of itself creates a potential conflict of interest and may indirectly influence MKAL's choice of TD Ameritrade for custody and brokerage services.

MKAL also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include MSCI ESG (Environmental, Social and Governance) research portal and a subscription to Emoney (financial planning software vendor). TD Ameritrade provides the Additional Services to MKAL in its sole discretion and at its own expense, and MKAL does not pay any fees to TD Ameritrade for the Additional Services. MKAL and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

MKAL's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to MKAL, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, MKAL's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with MKAL, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, MKAL may have an incentive to recommend to its clients that the assets under management by MKAL be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. MKAL's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

## **B. Compensation to Non-Advisory Personnel for Client Referrals**

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

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, MKAL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

MKAL provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, MKAL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, MKAL's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to MKAL).

### **Item 17: Voting Client Securities (Proxy Voting)**

MKAL acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. MKAL will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. MKAL may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, MKAL may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between MKAL and a client, then MKAL will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting MKAL in writing and requesting such information. Each client may also request, by contacting MKAL in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

## **Item 18: Financial Information**

### **A. Balance Sheet**

MKAL neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither MKAL nor its management has any financial condition that is likely to reasonably impair MKAL's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

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