

## **CX Institutional**

**Wrap Fee Brochure  
Appendix 1 to ADV Part 2A  
Firm Brochure  
Dated: August 1, 2018**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of CX Institutional. If you have any questions about the contents of this brochure, please contact Christina Thompson at 260-927-1830 or [christina.thompson@credentwealth.com](mailto:christina.thompson@credentwealth.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 CX Institutional is also available on at the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to CX Institutional as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This Appendix 1 to Form ADV Part 2A has been filed as a succession to Hefty Wealth Partners, Inc. (“HWP”) (CRD No. 153880). HWP is the principal owner of CX Institutional.

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## Item 4 – Services, Fees and Compensation

### A. **Asset Management Services – CX Multi-Strategy Platform Program**

CX Institutional provides investment management services on a discretionary wrap fee basis through our CX Multi-Strategy Platform Program. Program accounts are established at LPL Financial, a FINRA and SIPC member broker-dealer/custodian (“LPL”) and/or TD Ameritrade, a FINRA and SIPC member broker-dealer/custodian (“Ameritrade”). LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for CX Institutional’s clients through the Program.

The Program’s discretionary basis allows for allocating to numerous investments, including but not limited to, individual equities, individual bonds, open-end mutual funds, closed-end mutual funds, exchange traded funds (ETFs), and exchange traded notes (ETNs). Asset allocation guidelines within the Program will be pursuant to the client’s investment objective and may entail an allocation to multiple strategies within an account. Client understands that achievement of the stated investment objective is a long-term goal.

Additional deposits in the Program will be invested in securities consistent with the current target allocation for the model portfolio, but such deposits (or a portion thereof) may remain in cash until certain conditions are met related to trade size and position deviation from the target allocation. CX Institutional may accommodate requests for all or a portion of the assets in the account(s) to remain unallocated and allocated to cash for a period of time.

Liquidation requests in connection with withdrawals, and changes to the model portfolios or investment objective selected may take up to 5 business days to process, and, in certain circumstances, may take longer.

If client advises CX Institutional that restrictions be placed on certain assets while account(s) are invested in the Program, CX Institutional will not manage those assets in accordance with the Program’s guidelines. Only assets contained within the Program’s models will be continuously managed.

CX Institutional coordinates the trades among the various securities and model portfolio(s) of the account(s). After the account(s) is opened, and upon deposit of funds or securities by the client, CX Institutional will invest the assets based on the model portfolio(s) selected. It generally will take up to 5 business days from the date the account(s) is fully funded for all assets to be fully allocated across the model portfolio(s). In certain cases, it may take longer to allocate assets, for example, depending on the ability of CX Institutional to liquidate the securities transferred into the account(s).

In the event that the client transfers assets to CX Institutional that are not publicly traded, or when liquidity is minimal, costs for the liquidation of such assets will be borne by the client and will not be incurred by CX Institutional. The costs associated with liquidation will be determined by the custodian.

If client transfers into the Program with a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee.

### **Asset Management Services - CX Wealth Direct Program**

When consistent with a client's investment objectives, CX Institutional may provide portfolio management services, on a wrap fee basis, through an automated, online investment management platform (CX Wealth Direct), custodied with Ameritrade. Through CX Wealth Direct, CX Institutional offers clients a range of investment portfolios it has constructed and manages.

CX Institutional is the client's investment adviser and primary point of contact with respect to CX Wealth Direct. CX Institutional is solely responsible for determining the appropriateness of CX Wealth Direct for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis.

CX Institutional has contracted with Orion Advisor Services and Riskalyze to provide it with the technology platform and related services for CX Wealth Direct. This platform enables CX Institutional to make CX Wealth Direct available to clients online and includes a system that automates certain key parts of CX Institutional's investment process (the "System"). The System includes an online questionnaire that helps CX Institutional determine the client's investment objectives and risk tolerance and select an appropriate investment portfolio. CX Institutional will recommend a portfolio via the system in response to the client's answers to the online questionnaire. The system also includes an automated investment engine through which CX Institutional manages the client's portfolio on an ongoing basis.

### **Client Experience Program**

The Client Experience Program makes available multiple offerings for individuals, high net worth individuals, charitable organizations and business entities on a discretionary wrap fee basis. Under the Client Experience Program, CX Institutional is able to offer participants specific discretionary asset management portfolios that are offered under the CX Multi-Strategy Platform Program in combination with specific Financial Planning Services. In addition, specific client service deliverables are paired with each Client Experience offering. These combinations of investments, financial planning, and service are intended to deliver the appropriate solutions tailored to the individual needs of clients. The specific level of services you will receive and the fees you will be charged will be specified in your investment advisory agreement.

**Fee Differentials.** CX Institutional shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (between negotiable and 2.50%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client.

Because CX Institutional shall generally price its advisory services based upon various objective and subjective factors, our clients could pay diverse fees based upon a combination of factors, including but not limited to the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and negotiations, similarly situated clients could pay diverse fees, and the services to be provided by CX Institutional to any particular client could be available from other advisers at lower fees. All clients and prospective clients should

be guided accordingly. CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.

#### Financial Planning for Financial Planning Wrap Program

CX Institutional may charge a negotiable flat fee for the preparation of the initial base plan, generally between \$1,500 and \$4,000, depending upon: the client's financial situation, complexity of services rendered and the scope of the topics covered in the plan. CX Institutional may also waive this fee entirely with respect to any client whose advisory fees exceed \$1,750 per year. The initial base plan fee will be discussed with the client and incorporated into the Financial Planning Agreement, which must be executed before CX Institutional commences financial planning services. The initial base plan fee is due from the client upon conclusion of the meeting during which the initial findings, recommendations and initial base plan are presented to the client.

Once the initial base plan fee is paid, CX Institutional does not charge for on-going financial planning services to clients who maintain at least \$100,000 under management through a wrap fee. All other clients are charged an annual flat fee of \$1,200 to \$2,400 for the on-going financial planning services, which are pro-rated and billed semi-annually, in advance.

#### **Non-Discretionary Investment Management Services**

The client can determine to engage CX Institutional to provide non-discretionary investment advisory services on a wrap fee basis. Clients that determine to engage CX Institutional on a non-discretionary investment advisory basis must be willing to accept that CX Institutional cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that CX Institutional would like to make a transaction for a client's account, and client is unavailable, CX Institutional will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

#### **Strategy Summaries**

When consistent with a particular client's designated investment objective(s), CX Institutional may recommend that clients invest in any one or more of the following Strategy Portfolios, which are selected and managed at the individual client level. CX Institutional may also implement "Custom Strategy Portfolios," which are typically comprised of a blend of the holdings contained in one or more of Strategy Portfolios described below, and may also include additional common stocks, individual bonds, options, preferred stocks, ETPs, mutual funds, private or direct placements or annuities.

Each Strategy Portfolio carries an additional fee as fully described in Item 5 above.

The relative investment philosophies, asset selection process, independent manager selection process (as applicable), general product types and anticipated trading frequency for the Strategy Portfolios are as follows:

#### **Global Multi-Strategy Portfolio**

This is a tactical investment management strategy constructed entirely with exchange traded funds (ETFs). The strategy is comprised of five different allocations that include: Passive exposure to U.S. equity markets, quantitative based sector rotation of the underlying sectors of the U.S. market, individual country rotation exposure that is guided by relative strength and other quantitative factors, a momentum based global equity exposure, and a rotation allocation that is dictated by technical analysis tied to U.S. and global equity indices. The broad base case asset allocation of the strategy is guided by CX

Institutional and changes may take place monthly. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. All holdings will be passively constructed and will be tactically managed in the strategy. The strategy will meet the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

### **USA Multi-Strategy Portfolio**

This is a tactical investment management strategy constructed entirely with exchange traded funds (ETFs) with exposure aimed solely to U.S. markets. The strategy is comprised of four different allocations that include: Passive exposure to U.S. equity markets that is designed to include factor-based investing, momentum exposure designed to drive directional indicators across major domestic indices, technical analysis focused on price, volume, and risk, and a quantitative factor aimed at rotating amongst 25 different industries in the U.S. market. The broad base case asset allocation of the strategy is guided by CX Institutional and changes may take place monthly. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. The strategy will meet the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth. The holdings will be traded as conditions warrant.

### **Tax Advantaged ETF Strategy**

This is a passive strategy constructed solely with exchange traded funds (ETFs) and aimed at producing long-term capital gains and tax-free income from fixed income municipal bond holdings. The strategy's equity allocation contains provides a global exposure with a bias to U.S. based holdings. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. Systematic rebalancing will be kept at a minimum and may occur in the event that assets are swapped. All underlying fixed income holdings will be AMT free (alternative minimum tax free). The strategy will meet following descriptions: fixed income; asset preservation; income and growth & income.

### **Passive Core Strategy**

This is a passive strategy constructed solely with exchange traded funds (ETFs) and aimed at producing long-term capital gains through global exposure. The underlying holdings of the strategy will be selected on their ability to maintain low expenses and produce a low tracking error to the benchmark. Systematic rebalancing will meet the following descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth.

### **Global Equity Income Strategy Portfolio**

This investment management strategy is focused upon quality and long-term sustainability of balance sheet strength relative to market fundamentals. The asset allocation guidelines are comprised of large capitalization on the individual equities and blended geographic and capitalization exposure on the ETFs. CX Institutional will select dividend focused ETFs utilized for this Strategy Portfolio by using rigorous qualitative and quantitative screening criteria that encompasses global dividend paying equities. The fixed income portion of the portfolios will be comprised of municipal bond ETFs. The general descriptions are global equity income aggressive growth, global equity income growth and global equity income balanced. The holdings will be traded every 366 days. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

### **Equity Enhanced Core**

This is a core-satellite strategy designed to provide broader diversification across passive global equity markets. The strategy is designed to produce only long-term capital gains and seeks indirect global

exposure through its individual equity holdings. Systematic rebalances will occur annually with ad-hoc changes taking place as needed. The core component of the strategy will be comprised of no more than 5 individual ETFs while the satellite exposure will be constructed with ten equally weighted individual large capitalization equities. The strategy will meet the following descriptions: growth & income; growth; and aggressive growth.

### **Alpha Driven Strategy Portfolio**

This investment management strategy is based on a combination of quantitative and qualitative criteria aimed at relative risk, correlations, various coefficients, sector analysis, balance sheet strengths and overall market capitalization. The asset allocation guidelines are driven by quarterly data and vary between large, medium, and small capitalization style classes. CX Institutional will internally manage this strategy incorporating fundamental, quantitative, and passive strategies. The strategy will meet the following general descriptions: ADS core aggressive growth; ADS core growth; and ADS core growth & income. The holdings will be traded quarterly. This strategy may also hold individual bonds, alternative investments, annuities, and preferred stocks.

### **ESG Core (Environmental, Social, and Governance)**

This investment management strategy is designed to provide holdings that meet general Environmental, Social, and Governance corporate behavior as a means of assessing future financial performance of companies, or indices. ESG allocations are not viewed as superior relative to non-ESG holdings. The strategy is comprised predominantly of ETFs and may contain individual equities. CX Institutional will not be independently assessing whether the constituents of an ETF, or the classification of an individual equity holding, satisfies ESG guidelines. The MSCI USA ESG index, as well as the MSCI International ESG Index, will be the predominant guidelines for equity-based ETFs. On the individual equities, CX Institutional will rely on its Bloomberg Professional Financial services terminal for their proprietary ESG disclosure score. The strategy will rebalance bi-annually and will meet the following general descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth.

### **Thematic**

This investment management strategy is designed to provide exposure to various segments of the global economy, as determined appropriate by CX Institutional's trend analysis. Thematic investing attempts to identify long-term global macroeconomic trends and invests in assets that track the eventual path of those trends. Investments are selected based solely on total cost and tracking error relative to the index that most closely mimics the trend(s) that CX Institutional has identified as appropriate. An example of such trends, includes, but is not limited to, renewable energy, cybersecurity, and global infrastructure. The thematic investment strategy will be an equal weighted combination of at least 4 themes, or trends, at any given point in time. Thematic exposure is not designed to be a core standalone strategy for a household. The strategy should not comprise more than 10% of a household's aggregate value\*. The strategy will rebalance as needed and will meet the following general description: growth.

### **Kickstart Portfolios**

This is a buy-and-hold active strategy. The asset allocation guidelines will match the client's investment objective. The strategy will be comprised of 2 ETF holdings, will rebalance as needed, and will meet the following general descriptions: fixed income; asset preservation; income; growth & income; growth; and aggressive growth.

\*CX Institutional will screen client accounts invested in the CX Institutional Strategy Portfolios, and will automatically reallocate investment assets to other strategies matching the same investment objective as follows: Tactical accounts that are valued below \$30,000 are moved to Passive Core; and any excess amount, over 10% of household value that is invested in the thematic strategy, will be

allocated to the appropriate strategies already available within the household (matching a similar risk objective).

**The CX Institutional Strategies are subject to the following minimum investment requirements, which are based on account values net of any client designated excluded assets.**

- Kickstart portfolios: \$500
- Tax Advantaged: \$15,000
- Passive Core: \$15,000
- Thematic: \$25,000
- ESG Core: \$25,000
- Equity Enhanced Core: \$25,000
- USA Multi-Strategy: \$25,000
- Global Multi-Strategy: \$25,000
- ADS Core: \$100,000
- Global Equity Income: \$100,000

Once strategies are initially invested based on the pre-determined minimums, all strategies will be allowed to deviate lower than the stated minimums, which may be caused by market activity or client distributions, and will remain invested in the assigned strategy as long as the account's value does not impede the strategy's mandate and the account's ability to appropriately hold all strategy assets.

As it relates only to the Thematic Strategy, CX Institutional will screen client accounts to ensure the strategy does not constitute more than 10% of the household's total value, as seen on the multi-strategy platform. If the thematic strategy surpasses 10% of said value, the excess amount will be allocated to a strategy that reflects the household's aggregate investment objective.

B. **Wrap Program-Conflict of Interest.** As discussed above, CX Institutional may provide services on a wrap fee basis as a wrap program sponsor. Under CX Institutional's wrap offerings, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in CX Institutional's Wrap Fee Program Brochure. Conflict of Interest. Because wrap program transaction fees and/or commissions are being paid by CX Institutional to the account custodian/broker-dealer, CX Institutional has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. See separate *Wrap Fee Program Brochure*. **CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

C. The wrap fees associated with the Programs discussed above do not include certain charges and administrative fees, including, but not limited to, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than LPL and/or Ameritrade, transfer taxes, odd lot differentials, IRA maintenance fees, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts). Such fees and expenses are in addition to the Programs' wrap fee.

D. CX Institutional's related persons who recommend the Programs to clients do not receive compensation as a result of a client's participation in the Programs.



## Item 5 – Account Requirements and Types of Clients

CX Institutional clients generally include individuals, high net worth individuals, charitable organizations and business entities. Because CX Institutional shall generally price its advisory services based upon various objective and subjective factors, our clients could pay diverse fees based upon a combination of factors, including but not limited to the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and negotiations, similarly situated clients could pay diverse fees, and the services to be provided by CX Institutional to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

## Item 6 – Portfolio Manager Selection and Evaluation

- A. CX Institutional does not utilize independent portfolio managers. CX Institutional will provide the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Therefore, conflicts of interest present in other wrap-fee programs that make both affiliated and unaffiliated portfolio managers available do not exist in CX Institutional Wrap Programs.
- B. CX Institutional acts as the portfolio manager for the Wrap Programs. Inasmuch as the execution costs for transactions effected in the client account will be paid by CX Institutional, a conflict of interest arises in that CX Institutional may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by CX Institutional as a result of the client's participation in a Wrap Program may be more than what CX Institutional would receive if the client paid separately for investment advice, brokerage and other services.

**Please Note:** When managing a client's account on a wrap fee basis, CX Institutional shall receive as payment for its asset management services, the balance of the wrap fee after all other costs (including account transaction fees) incorporated into the wrap fee have been deducted. Accordingly, CX Institutional has a **conflict of interest** because it has an economic incentive to maximize its compensation by seeking to minimize the number of transactions/total costs in the client's account. **CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the corresponding conflict of interest a wrap fee arrangement may create.**

- C. In addition to offering CX Multi-Strategy Platform Program, CX Wealth Direct Program and the Client Experience Program on a non-wrap fee basis, CX Institutional also offers the following services:

### Playbook and Coaching Sessions

CX Wealth Direct participants may, for a separate and additional fee, elect to receive access to certain financial and economic planning tools available through the CX Wealth Direct automated platform. In addition to receiving access to these tools, these CX Wealth Direct participants will also have the ability to schedule telephone planning sessions with certain CX Institutional professionals to discuss general financial planning concepts and issues.

### Non-Discretionary Investment Management Services

The client can determine to engage CX Institutional to provide non-discretionary investment advisory services on a non-wrap fee basis. Clients that determine to engage CX Institutional on a non-discretionary investment advisory basis must be willing to accept that CX Institutional cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in

the event that CX Institutional would like to make a transaction for a client's account, and client is unavailable, CX Institutional will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

#### Financial Planning and Consulting Services

Financial planning and consulting helps clients to identify long-term financial goals intended to be achieved through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. CX Institutional provides financial planning and consulting services, which focus upon a client's overall financial situation. Before engaging CX Institutional to provide financial planning or consulting services, clients may be required to enter into a Financial Planning and Consulting Agreement with CX Institutional setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before CX Institutional commences services. If requested by the client, CX Institutional may recommend the services of other professionals for implementation purposes, including CX Institutional's representatives in their individual capacities as registered representatives of LPL. (See disclosure at Item 10 C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CX Institutional.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify CX Institutional if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing, evaluating or revising CX Institutional's previous recommendations and/or services.

CX Institutional offers four basic forms of financial planning and consulting services: "Legacy for Life®", "Goals Based", "Playbook and Coaching", and "Hourly Consulting Services."

In certain instances where clients do not meet Client Experience Program advisory fee minimum requirements, CX Institutional may make its "Legacy for Life®", "Goals Based", and "Playbook and Coaching" Financial Planning Services available through a separate service agreement. To initiate the engagement, CX Institutional will meet with these clients to determine the scope of services and financial planning topics to be covered. Once defined and agreed upon, the client and CX Institutional will enter into a Financial Planning Agreement.

#### Legacy for Life®

CX Institutional provides financial planning and/or estate planning and/or charitable planning services to individual clients through its Legacy for Life® Program. Depending on the scope of the engagement, areas covered through Legacy for Life® may include, but are not necessarily limited to: retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, asset allocation recommendations, and charitable planning.

In certain instances where clients require advanced estate, business, or charitable planning and do not meet CX Institutional's Client Experience Program advisory fee minimum requirements, CX Institutional may make these services available through a separate hourly consulting agreement.

#### Goals Based

CX Institutional provides Goals Based Planning Services to individual clients that need a less robust financial planning engagement. Depending on the scope of the engagement, areas covered through

Goals Based Planning Services may include, but are not necessarily limited to: retirement planning, major purchase planning, education planning, asset allocation, and risk management planning.

In certain instances where clients require estate, business, or charitable planning and do not meet CX Institutional's Client Experience Program advisory fee minimum requirements, CX Institutional may make these services available through a separate hourly consulting agreement.

#### Playbook and Coaching Sessions

CX Wealth Direct participants may, for a separate and additional fee, elect to receive access to certain financial and economic planning tools available through the CX Wealth Direct automated platform. In addition to receiving access to these tools, these CX Wealth Direct participants will also have the ability to schedule telephone planning sessions with certain CX Institutional professionals to discuss general financial planning concepts and issues.

#### Hourly Consulting Services

CX Institutional may also provide financial planning and consulting services on a one-time-only basis. Topics covered as part of these services may include any particular issue of concern to the client as agreed to between the Client and CX Institutional, which generally include retirement planning, major purchase planning, education planning, estate planning, small business planning, risk management planning, charitable planning, corporate services, consulting for non-for-profit organizations and estate settlement.

#### Retirement Plan Consulting

CX Institutional also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, CX Institutional shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between CX Institutional and the plan sponsor.

#### Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, CX Institutional may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. CX Institutional **does not** serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, CX Institutional **does not** prepare estate planning documents or tax returns. To the extent requested by a client, CX Institutional may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.), including representatives of CX Institutional in their separate individual capacities as representatives of LPL, a FINRA member broker-dealer and/or as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CX Institutional and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by CX Institutional's representative that a client purchase a securities or insurance commission product through

CX Institutional's representative in their separate and individual capacity as a registered representative of LPL and/or as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by CX Institutional through other, non-affiliated registered representatives of a broker-dealer and/or insurance agents.

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If CX Institutional recommends that a client roll over their retirement plan assets into an account to be managed by CX Institutional, such a recommendation creates a conflict of interest if CX Institutional will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that CX Institutional recommends that clients roll over assets from their retirement plan to an IRA managed by CX Institutional, then CX Institutional represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by CX Institutional. CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then CX Institutional represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by CX Institutional or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Sub-Advisory Engagements.** CX Institutional may serve as a sub-advisor to unaffiliated registered investment advisors according to the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisors that engage the Firm's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for CX Institutional's designated investment strategies and/or programs. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, CX Institutional will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by CX Institutional. Higher transaction costs adversely impact account performance.

**Use of Mutual and Exchange Traded Funds.** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by CX

Institutional independent of engaging CX Institutional as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the CX Institutional's initial and ongoing investment advisory services. Please Note: In addition to CX Institutional's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. CX Institutional has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, CX Institutional will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when CX Institutional determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by CX Institutional will be profitable or equal any specific performance level(s).

eMoney Advisor Platform. CX Institutional may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that CX Institutional does not manage (the "Excluded Assets"). CX Institutional does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, CX Institutional shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not CX Institutional, shall be exclusively responsible for such investment performance. The client may choose to engage CX Institutional to manage some or all of the Excluded Assets pursuant to the terms and conditions of an *Investment Advisory Agreement* between CX Institutional and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by CX Institutional. Finally, CX Institutional shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without CX Institutional's assistance or oversight.

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), CX Institutional may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating CX Institutional's advisory fee. Please Further Note: When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth in the investment advisory agreement. CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

Client Obligations. In performing its services, CX Institutional shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify CX Institutional if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating or revising CX Institutional's previous recommendations and/or services.

Disclosure Statement. A copy of CX Institutional's written Brochure as set forth on Part 2A, Part 2A Appendix 1 and Part 2B of Form ADV (as applicable) shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

Performance-Based Fees and Side-By-Side Management (ADV Part 2A, Item 6)

Neither CX Institutional, nor any supervised person of CX Institutional accepts performance passed fees.

Methods of Analysis, Investment Strategies and Risk of Loss (ADV Part 2A, Item 8A)

CX Institutional's primary method of security analysis is a blend of fundamental, quantitative, and technical analysis. Each form of analysis is described below:

**Fundamental Analysis**

***This*** method attempts to measure a security's intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to attempt a value that an investor can compare with the security's current price to determine what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security or index.

Quantitative Analysis

This method attempts to measure a security's, or indices', risk and value by analyzing its relative metrics to the broad market. Such metrics include standard deviation, correlations, expected return metrics, balance sheet ratio analysis, and overall outputs tied to multiple regression analysis.

Technical Analysis

This method attempts to measure a security's value by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Cyclical Analysis

This method attempts to forecast the direction of prices through analysis performed on historical relationships between price and market trends.

CX Institutional uses the following investment strategies when implementing investment advice given to clients:

Long Term Purchases

This refers to investments that are purchased with the intention of being held for at least one year.

Short Term Purchases

This refers to investments that are purchased with the intention of being sold within one year.

Option Writing

Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time. Option writing includes covered options, uncovered options, or spreading strategies.

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by CX Institutional) will be profitable or equal any specific performance level(s).

CX Institutional's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. In particular, clients face the following potential investment risks:

**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.

**Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk:** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**ETF and Mutual Fund Risk:** When CX Institutional invests in an ETF or mutual fund, the client will bear additional expenses based on its pro-rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs if they do so outside of the Program.

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

CX Institutional primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, no load mutual funds, closed end mutual funds and/or ETFs.

CX Institutional's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as CX Institutional's asset allocation programs, with a non-exclusive safe harbor from the

definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to CX Institutional's management of client assets:

1. Initial Interview – at the opening of the account, CX Institutional, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly CX Institutional shall notify the client to advise CX Institutional whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, CX Institutional shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – CX Institutional shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct CX Institutional not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

CX Institutional believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, CX Institutional's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to CX Institutional's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** CX Institutional's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

#### Voting Client Securities (ADV Part 2A, Item 17)

CX Institutional does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact CX Institutional to discuss any questions they may have with a particular solicitation.



## **Item 7 – Client Information Provided to Portfolio Managers**

Because only representatives of CX Institutional serve as portfolio managers, those representatives or their assistants are responsible for gathering all information provided by clients. CX Institutional's representatives will interview and work with clients to gather all information needed relative to their investment objectives and needs in order to provide management services through Program. Clients are reminded to contact their representative whenever there are changes to their financial situation that will impact or materially influence the way CX Institutional manages accounts.

## **Item 8 – Client Contact with Portfolio Managers**

Because only CX Institutional representatives serve as portfolio managers, there are no restrictions placed on clients' ability to contact and consult with their portfolio managers. It is the policy of CX Institutional to provide an "open channel" of communication between representatives and their clients. Clients are encouraged to contact their representative whenever they have questions about the management of their account.

## **Item 9 – Additional Information**

A.

### Disciplinary Information (ADV Part 2A, Item 9)

CX Institutional has not been the subject of any disciplinary actions.

### Other Financial Industry Activities and Affiliations (ADV Part 2A, Item 10)

Certain associated persons of the CX Institutional are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about CX Institutional clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Christina Thompson.

### Licensed Insurance Agents

Certain of CX Institutional's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage those individuals, in an individual capacity, to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by CX Institutional's representatives, that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from CX Institutional's representatives. Clients are reminded that they may purchase insurance products recommended by CX Institutional through other, non-affiliated insurance agents. **CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

### **Registered Representatives of a Broker/Dealer**

Certain of CX Institutional's representatives are registered representatives of LPL, a registered broker/dealer, member SIPC/FINRA. Clients can choose to engage representatives CX Institutional, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation by CX Institutional's representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any securities commission products from CX Institutional's representatives. Clients are reminded that they may purchase securities commission products through other, non-affiliated registered representatives. **CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

CX Institutional does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

B. **Code of Ethics, Participation in Client Transactions and Personal Trading (ADV Part 2A, Item 11)**

CX Institutional maintains an investment policy relative to personal securities transactions. This investment policy is part of CX Institutional's overall Code of Ethics, which serves to establish a standard of business conduct for all of CX Institutional's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

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

Neither CX Institutional nor any related person of CX Institutional recommends, buys, or sells for client accounts, securities in which CX Institutional or any related person of CX Institutional has a material financial interest.

CX Institutional and/or representatives of CX Institutional may buy or sell securities that are also recommended to clients. This practice may create a situation where CX Institutional and/or representatives of CX Institutional are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if CX Institutional did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of CX Institutional's clients) and other potentially abusive practices.

CX Institutional has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of CX Institutional's "Access Persons". CX Institutional's securities transaction policy requires that Access Person of CX Institutional must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current

securities holdings at least once each twelve (12) month period thereafter on a date CX Institutional selects; provided, however that at any time that CX Institutional has only one Access Person, he or she shall not be required to submit any securities report described above.

CX Institutional and/or representatives of CX Institutional may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where CX Institutional and/or representatives of CX Institutional are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, CX Institutional has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of CX Institutional's Access Persons.

#### Review of Accounts (ADV Part 2A, Item 13)

For those clients who engage in the Program, CX Institutional's representatives conduct account reviews on an ongoing basis. All clients are advised that it remains their responsibility to advise CX Institutional of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with CX Institutional on an annual basis.

CX Institutional may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

During any month that there is activity in a CX Institutional managed account (and no less frequently than quarterly); the client receives an account statement, from LPL and/or Ameritrade, showing account activity as well as positions held in the account at month end. Additionally, the client receives a confirmation of each transaction that occurs within the account unless the transaction is the result of a systematic purchase, redemption or exchange. The client will also receive from their custodian a detailed quarterly report showing performance, positions, and activity. All account data and statements are also generally available on-line through the account view portal provided by their custodian. In addition, CX Institutional may provide newsletters covering general financial planning and investment topics.

#### Client Referrals and Other Compensation (ADV Part 2A, Item 14)

##### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, CX Institutional receives from LPL and/or Ameritrade (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist CX Institutional to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by CX Institutional may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by CX Institutional in furtherance of its investment advisory business operations.

LPL makes available to CX Institutional various products and services designed to assist CX Institutional in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of CX Institutional's accounts, including accounts not held with LPL. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of CX Institutional's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL also makes available to CX Institutional other services intended to help CX Institutional manage and further develop its business. Some of these services assist CX Institutional to better monitor and service program accounts maintained at LPL, however, many of these services benefit only CX Institutional, for example, services that assist CX Institutional in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by CX Institutional in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided to CX Institutional as part of its overall relationship with LPL. While as a fiduciary CX Institutional must always act in its clients' best interests, the receipt of these benefits creates a conflict of interest because CX Institutional's recommendation that client's custody their assets at LPL may be based in part on the benefit to CX Institutional of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. CX Institutional's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL platform.

As indicated above, certain of the support services and/or products that may be received may assist CX Institutional in managing and administering client accounts. Others do not directly provide such assistance, but rather assist CX Institutional to manage and further develop its business enterprise.

CX Institutional's clients do not pay more for investment transactions effected and/or assets maintained at LPL and/or Ameritrade as a result of this arrangement. There is no corresponding commitment made by CX Institutional to LPL and/or Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

CX Institutional also receives certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors. Specifically, the Additional Services include payment to third party vendors toward the cost of holding marketing events attended by CX Institutional's principals and certain of its clients; and/or CX Institutional employee events. Over last year, the following entities (each, a "Contributing Entity" and collectively, the "Contributing Entities") attended and contributed the following approximate amounts toward the costs of such events: Goldman Sachs: \$781, Blackrock: \$2,000, JP Morgan: \$500, State Street: \$1,009, Janus Henderson: \$1,000, PowerShares: \$750, John Hancock: \$150, Lord Abbett: \$300, and Prudential: \$492. All of these Additional Services are non-recurring and individually negotiated. CX Institutional does not expect to receive these Additional Services again; however, CX Institutional reserves the right to negotiate for these Additional Services in the future. The Contributing Entities provide the

Additional Services to CX Institutional in their respective sole discretion and at their respective own expense. CX Institutional does not pay any fees or agree to any express reciprocation benefitting any Contributing Entity for the Additional Services. CX Institutional and the Contributing Entities have not entered into any written agreement to govern the Additional Services.

CX Institutional's receipt of Additional Services raises conflicts of interest. In providing Additional Services to CX Institutional, the Contributing Entities most likely consider the amount and profitability of the assets in, and trades placed for, CX Institutional's client accounts to determine if they want to provide the Additional Services moving forward. Each Contributing Entity has the sole discretion to not offer these Additional Services in the future. Consequently, in order to be able to negotiate for these Additional Services, CX Institutional may have an incentive to recommend to its Clients that they invest in products and/or utilize the services offered by the Contributing Entities. However, CX Institutional's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts. CX Institutional therefore reminds its clients that they may receive similar products and/or services from other entities besides the Contributing Entities.

#### Transition Assistance Benefits

LPL provides various benefits and payments to Dually Registered Persons that are new to the LPL platform to assist with the costs (including foregone revenues during account transition) associated with transitioning their business to the LPL (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL as a result of the Dually Registered Person's clients transitioning to LPL's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts. The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at their prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at their prior firm and/or assets under custody with LPL. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives. Transition Assistance payments and other benefits are provided to associated persons of CX Institutional in their capacity as registered representatives of LPL. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to CX Institutional's advisory business because it creates a financial incentive for CX Institutional's representatives to recommend that its clients maintain their accounts with LPL. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL and therefore CX Institutional has an incentive to recommend that clients maintain their account with LPL in order to generate such benefits. CX Institutional attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. CX Institutional considers the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness when determining to recommend any broker dealer/custodian, including LPL. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL.

**CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

CX Institutional does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

**Financial Information (ADV Part 2A, Item 18)**

CX Institutional does not solicit fees of more than \$1,200, per client, six months or more in advance.

CX Institutional is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

CX Institutional has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: CX Institutional's Chief Compliance Officer, Christina Thompson, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**