



Registered Investment Adviser

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FORM ADV PART 2A
CLIENT BROCHURE
SEPTEMBER 11, 2018

ITEM 1: COVER PAGE

This Form ADV 2A Brochure (“Brochure”) provides information about the qualifications and business practices of Sprout Financial, LLC (*doing business as* “Sprout Advisers” or the “Adviser”), a registered investment adviser. The information in this Brochure has not been approved or verified by the United State Securities and Exchange Commission (SEC) or by any state securities authority. Registration of an adviser does not imply a particular level of skill or training.

Additional information about Sprout Advisers and its registered personnel is available on the SEC’s website at www.Adviserinfo.sec.gov.

Sprout Advisers’ SEC number is: 801-112883

The Adviser’s CRD number is: 293200

If you have any questions about the contents of this Brochure, please contact us at 855-608-9424 or support@SproutAdvisers.com.

ITEM 2: SUMMARY OF MATERIAL CHANGES

Full Brochure Available

Our Form ADV 2 Brochure may be requested, free of charge, by contacting Sprout, at 855-608-9424 or support@SproutAdvisers.com.

Material Changes Since Last Update

This is the third brochure filed since the original filing in April 2018. Changes include the addition of custodial language and additional clarification of fees charged on assets under management in Item 5. Folio FN was added as a recommended Custodian under Item 12 of this Brochure. Item 16 was updated to reflect that Sprout Advisers may maintain limited discretionary authority over managed accounts, with appropriate client authorization.

On August 15, 2018, the Brochure was amended as required to register Sprout Advisers with the United States Securities and Exchange Commission (SEC) through an exemption available for Advisers who must register in 15 or more states.

On September 11, 2018, this Brochure was amended to update the following information:

Sprout Financial, LLC owns the “doing business as” name of Sprout Advisers.

Item 16 was amended to reflect that Sprout Advisers may maintain limited discretionary trading authority over managed account, if authorized by the client via the Investment Management Agreement and custodial account forms. Disclosure now reflects that clients are welcome to set parameters on the Adviser’s authority in writing as to types of investments and amounts purchased or sold.

The Adviser’s Privacy Policy has been updated to reflect more complete information.

If you have any questions or would like to discuss our services, please do not hesitate to contact our office.

Sincerely,

Edward A. Stewart
Member and Chief Compliance Officer

2912 Executive Parkway, Suite 120, Lehi, UT 84043
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ITEM 4: ADVISORY BUSINESS

Description of the Advisory Firm

Sprout Financial, LLC (*doing business as*, “Sprout Advisers”, also referred herein as, the “Adviser”, “we,” “our,” or “us”), is a privately-owned, Utah limited liability company headquartered in Lehi, Utah. Sprout Advisers is wholly owned by Joshua Carr and Edward Stewart. Mr. Stewart is also Sprout Advisers’ Chief Compliance Officer.

Sprout Advisers is a fee-based and independent Registered Investment Adviser registered with the United States Securities and Exchange Commission, (“SEC”) as of April 2018, and focuses on providing Investment Management Services, Financial Planning and General Financial Consultations. Sprout Advisers is compensated only in the form of advisory or management fees paid by investors.

Sprout Advisers is not a broker/dealer and does not accept commissions for securities recommendations. Any transactions in securities will be executed by an unaffiliated brokerage-custodial firm of clients’ choosing.

Sprout Advisers is not a custodian. Client funds and securities are maintained at an unaffiliated custodian selected by the client.

Sprout Advisers is not an insurance agency and does not accept commissions for insurance recommendations. “Investment Adviser Representatives” are those persons authorized by the firm to deliver financial and investment advisory services on behalf of Sprout Advisers. Certain Investment Adviser Representatives may be engaged in outside business activities as described in Item 10 this Brochure and in the next paragraph.

Tyler Hansen and other Investment Adviser Representative, are also independently licensed insurance agents, as disclosed in each Investment Adviser Representative’s ADV 2B Brochure. If clients purchase insurance from licensed Adviser Representatives, they will earn (not the Adviser) normal commissions paid by insurance companies and this presents a conflict of interest. However, Sprout Advisers acknowledges that it is a fiduciary to each of its clients. Clients are welcome but never obligated to purchase insurance from licensed Adviser Representatives and may utilize a service provider of their choosing should insurance needs ever arise.

Types of Advisory Services

Sprout Advisers’ fee-based Investment Management Services, Financial Planning and General Financial Consultation services are available for individuals, couples, families, high net worth individuals, retirement plans, trusts, estates, charitable organizations corporations and other businesses.

Sprout Financial offers a complimentary general consultation to discuss services available and to give a prospective client time to review all services provided. Services begin only after the Client and Adviser have fully executed the proper Sprout Advisers’ client agreement(s), which describes the terms and conditions under which we will provide our services. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional, including the Adviser itself.

Our services, terms of our compensation, method of payment, and other important information are explained in more detail below.

After the formal engagement, and depending on the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client’s stated needs goals, intentions, time horizon, risk tolerance and investment objectives, based upon the information provided. The client and Adviser will complete a risk assessment, investment policy statements or similar documents, depending on the nature of the services to be provided.

Investment Management Services are ongoing in nature and may include other client-initiated consultations pertaining to general financial issues or as the client may request. **Financial Planning and Consultation Services** are project-based or hourly in nature and terminate upon the conclusion of services.

Investment Management Services involve ongoing and continuous portfolio management services. Sprout Financial focuses on providing individualized management services that are tailored to meet the stated needs and objectives of the client. Services may be comprehensive in nature or focus on a portion of an investor's overall portfolio, as requested by the client. In each case, the client's stated needs and goals are taken into consideration and documented in the investment policy statement or similar strategy documentation. Sprout Financial's goal is to construct a diversified portfolio of investment recommendations that are within its realm of expertise and developed with the client's participation. In conjunction with these services, Sprout Financial may recommend a suitable unaffiliated investment management platform.

After an analysis and data-gathering process, and depending upon the nature of services desired, Sprout Advisers Adviser may engage all or some of the following activities:

- Existing portfolio review and analysis;
- Development of a customized investment policy with the client's participation;
- Preparation of asset allocation recommendations;
- Recommendation of specific investments;
- Recommendation of unaffiliated Independent Managers;
- Implementation of an investment plan (with appropriate client authorization);
- Ongoing discretionary or non-discretionary management of the client's investment portfolio.

Strategies range from conservative to aggressive in nature and recommendations may include a variety of investment types. Sprout Advisers can also manage portfolios that utilize options strategies to help generate income (covered call strategies) while others will be actively managed equity and fixed income portfolios based on the economic status of the financial markets, essentially allocating portfolio holdings based off the demand and supply of the selected investment options. Investments may include stocks, mutual funds, exchange traded funds and other assets, as outlined in the client's designed investment strategies.

Sprout Financial can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where Investment Management Services or information are limited, clients must understand that comprehensive investment needs and or objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, restraints placed on the Adviser's services and/or lack client disclosure.

Sprout Advisers does not recommend wrap fee programs nor is the Adviser engaged as a wrap fee program sponsor or contracted as a wrap fee manager.

As disclosed in Item 10 in this Brochure, Sprout Advisers may recommend the services of one or more unaffiliated Independent Managers who may offer investment programs designed to help meet our clients' stated needs and objectives.

The factors Sprout Advisers considers in its review of Independent Managers includes but is not limited to: Services, fees, reputation, performance, financial strength, management, price, reporting capabilities, client's financial situation, client's stated goals, needs and investment objectives. When the analysis is complete, Sprout Advisers will present the client with one or more recommendations. At the time of any such recommendation(s), Sprout Advisers will provide a copy of the Independent Manager's Form ADV 2 Brochure and a compensation disclosure document. The services and fees associated with the unaffiliated investment programs, including any portion of investment management fees payable to Sprout Advisers for its direct management services will be clearly outlined in the compensation disclosure document and in many cases, the Independent Manager's service agreement. Certain Independent Managers require minimum portfolio conditions as outlined in each Manager's disclosure materials.

Where Sprout Advisers is contracted to provide ongoing investment management services in conjunction with the services of an Independent Manager, Sprout Advisers will maintain its role as primary Adviser to our client. As primary Adviser, we will monitor the Independent Manager's performance and communicate directly with the Independent Manager on such issues as the management of the client's assets and any changes in the client's investment directives or financial circumstances as the client reports to Sprout Advisers. The selected Independent Manager is solely responsible to the client to fulfill its contracted

investment management services, best execution, account-custodian reconciliation, trade error resolution and portfolio reporting (if offered) within their respective programs.

As disclosed in Item 12 of this Brochure, Sprout Financial recommends unaffiliated qualified custodial firms to clients (such as Folio FN, TD Ameritrade and similar firms). The custodians provide clients with access to their institutional trading and custody services.

Once a portfolio is implemented or transferred for management services, Sprout Advisers provides continuous monitoring, recommendations and investment advice as outlined in the Adviser's Investment Management Agreement. In each case, the Adviser manages the portfolio based upon each client's unique needs and directives established by the client. Due to the individualized nature of services, advice and recommendations may vary between clients in terms of strategy and/or complexity.

In providing ongoing Investment Management Services, Sprout Advisers will manage investor funds in accordance with the client's investment policy statement (or similar strategy documentation) and will remain available to the client for ongoing advice, consultations and recommendations. During the course of the engagement, clients may call the office any time during business hours to discuss their financial concerns, their portfolio and to ask questions. *Clients must immediately report changes in their financial situation to Sprout Advisers in order to provide the Adviser with the opportunity to review the portfolio to ensure it continues to be structured to help meet the client's stated needs and objectives.*

Clients engaging Investment Management Services should expect to play an active role. The Adviser requires the client to participate in the development of the investment policy statement (or similar document) and provide disclosure of material information that is critical to the delivery of services. **In addition, Sprout Financial requests that clients review and update their financial situation and investment policy no less than annually.**

Services and investment recommendations in connection to assets invested in a corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers. Sprout Advisers acknowledges its fiduciary duty to each of its clients. The Adviser recognizes that a client's employer-sponsored qualified plans are most often the client's most valuable assets. Sprout Advisers seeks to help clients identify an optimal investment strategy based on information clients disclose to the Adviser. If services desired go outside the scope of Investment Management Services during the engagement, Sprout Advisers may be available to provide Consultation and/or Financial Planning Services. In such cases, the Adviser will request a new or amended Client Agreement and additional fees will apply. The Adviser's fees for Consultation and Planning Services are provided in Item 5 of this Brochure. Sprout Advisers will not engage in additional services without the client's direction.

Clients requiring assistance on issues relating to matters outside of investment and advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions. Any professional referrals (i.e., insurance firms, accountants, attorneys, etc.) are solely a courtesy. Sprout Advisers does not accept direct or indirect compensation as a result of referrals. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional, including the Adviser itself.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation from time to time as a value-added service at the client's request, the Adviser will not generally manage these types of investments unless agreed in writing.

Financial Planning / Consultation Services involve hourly or project-based services

Sprout Advisers' **Financial Planning Services** provide assistance to clients to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires, Sprout Advisers will collect pertinent data, identify goals, objectives, financial problems, potential solutions, prepare specific recommendations and if desired, can assist with the implementation of recommendations. However, the Adviser does not maintain any form of trading authority over the client's account when

providing Financial Planning or Consultation Services. Sprout Advisers offers the following financial planning modules:

- Survivor Needs (including existing life policy and annuity contract reviews);
- Retirement Income Planning; Asset Allocation and Investment Selection;
- Income Tax Analysis;
- Estate Analysis;
- IRA Planning (including stretch IRA analysis and beneficiary reviews);
- Business Continuation and Valuations;
- College Funding Analysis; and Long-term Care Needs and Analysis.

When a client does not desire modular planning, Sprout Advisers offers customized planning tailored to help meet the needs of the client. At the conclusion of the Financial Planning Service, Sprout Advisers shall present the client with a written financial plan or documentation relating to advice and recommendations (where comprehensive planning is not performed).

Clients may also be interested in Sprout Advisers' general **Consultation Services**. Sprout Advisers is available to provide assistance via a Consultation engagement to discuss topics of interest to the client. Topics could include but are not limited to: Investment research, asset allocation, goal setting, general retirement planning issues, college funding, insurance/401(k) account reviews and other financial topics of interest to the client. Consultation Services do not involve comprehensive financial planning or management of assets.

Financial Planning and Consultation Services are not ongoing and terminate upon the delivery of the agreed upon services.

When Financial Planning and/or Consultation Services only focus on certain areas of client interests, needs or are otherwise limited in scope, clients must understand that a client's overall financial and investment needs, liabilities and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services or due to limited disclosure of information from the client. When providing advice on investments within retirement plans, the advice and any recommendations are limited to plan offerings.

Clients requiring assistance on issues relating to matters outside of financial and investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions.

The advice provided by Sprout Advisers during Financial Planning and/or Consultation engagements may include recommendations for updates and reviews. Clients are welcome, but are never obligated, to retain the Adviser for additional or follow-up services via a new or amended client agreement.

Financial Planning and Consultation Services do not include ongoing reviews or monitoring. The advice and recommendations provided are current at the time services are provided based on then-current data provided by the client and information available to Sprout Advisers. Clients are welcome to implement advice / recommendations in whole or in part, entirely at the client's discretion via the service provider(s) of the client's choice. Clients are thereafter welcome to consider engaging Sprout Advisers for Investment Management Services via a new and separate Client Agreement.

Client Tailored Services and Client Imposed Restrictions

Sprout Advisers focuses on providing individualized services. The Adviser can tailor services to focus only on certain portfolio and/or planning or consulting components, depending upon the client's wishes and/or the nature of the engagement. Clients may also impose reasonable restrictions on investing in certain securities, types of securities, industry sectors or asset classes. These restrictions must be in writing. However, Sprout Advisers reserves the right to not accept and/or terminate the advisory relationship if the client's-imposed restrictions and/or non-standard service requests cannot be accommodated by the Adviser, at the Adviser's discretion.

Clients are welcome to set parameters on the Advisor's limited discretionary authority in writing as to types of investments and amounts purchased or sold.

As previously noted, services and investment recommendations in connection to assets invested in a corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

Wrap Fee Programs

Sprout Advisers does not recommend wrap fee programs nor is the Adviser engaged as a wrap fee program manager or sponsor.

Assets Under Management

As of August 2018, Sprout Advisers manages approximately \$22 million in assets on a non-discretionary basis. Sprout Advisers is registered with the SEC under an exemption provided for Registered Investment Advisers required to be registered in 15 or more states.

ITEM 5: FEES AND COMPENSATION

Sprout Advisers operates as a fee-based investment advisory firm.

Sprout Advisers is only compensated for advisory services in the following manner: A percentage of assets under management, hourly fees, and project-based fees (which are dependent upon the nature and scope of the engagement, using the Adviser's hourly rate as a guide). Fee are agreed to at the time of engagement and documented in the Client Agreement.

Fee Schedules for Advisory Services

Sprout Advisers is compensated for **Investment Management Services** only in the form of a percentage of assets under management at an annual rate of .5% to 1.5% annually, billed monthly or quarterly in advance or arrears, as set forth in the client agreement. The fee is calculated by multiplying the Adviser's annual rate by the portfolio's market value at the end of the billing period (as determined by the client's custodian) and dividing the figure by 12 (for monthly billing) or 4 (for quarterly billing). Where services are initiated at any time other than the beginning of a month or a quarter (depending upon the agreed upon billing cycle), Sprout Advisers' fee is pro-rated.

Sprout Advisers reserves the right to negotiate its Investment Management fees, depending upon the nature and scope of the engagement, complexity of services, additional time to be incurred, for pre-existing relationships, or other special situations and at the discretion of the Adviser.

If an unaffiliated manager program is utilized, the management fee attributed to the program's services (as set forth in the program's management agreement) is billed separately and is in addition to Sprout Advisers' fees.

It is important to note that Sprout Advisers and/or recommended Independent Managers may charge management fees are higher than what may be charged by other investment advisers for similar services. This will be the case when the Independent Manager's strategies (such as options trading) are more laborious than simply purchasing a group of stocks, mutual funds, or ETFs on an omnibus platform. Clients should note that lower fees for similar investment management services may be available from other sources.

Investment Management fees do not include custodial fees, service fees and/or transaction fees that may be levied by various custodians, broker dealers, mutual funds and insurance companies.

Sprout Advisers' Financial Planning and Consultation Services are invoiced in arrears at the following rates:

- \$250 per hour; or
- When a client selects modular financial planning, Sprout Advisers' fee is \$1200 per module.

The number of hours involved in a Consultation Service or comprehensive Planning project will vary, depending upon the complexity of the financial situation, the number of client accounts included in the plan, the type of preparation and research required, and financial areas to be covered by the plan. All fees for planning services are agreed upon in advance in writing.

Should the client's condition change during the course of services such that new or reformulated advice, recommendations or research is required, additional fees may apply. The Adviser will not engage in additional services that result in added fees without a new or modified client agreement (approved by the client).

All financial planning services provided will be completed within six (6) months of the acceptance date of the financial planning agreement. The financial planning fees are not negotiable. Clients should note that lower fees for similar services may be available from other sources.

At its sole discretion, Sprout Advisers may waive Financial Planning or Consultation Service fees for clients receiving Investment Management Services from Sprout Advisers and/or a recommended Independent Manager.

PAYMENT OF ADVISORY FEES

Investment Management fees are paid via an authorized debit to the client's account held at a qualified custodial. If a client has more than one account, the client may choose to have all fees deducted from a particular account. Where an Independent Manager has been contracted for services, the Investment Manager will coordinate the management fee deductions and billings.

Sprout Advisers adheres to the following criteria in accordance with the United States Securities Exchange Commission's Investment Advisers Act when payment is made via a qualified custodian: (1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the client's independent and qualified custodian and the authorization is limited to withdrawing contractually agreed upon investment advisory fees; (2) The client will directly receive regular (monthly or quarterly) statements directly from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of Adviser fee withdrawals shall be specified in the written authorization / agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

Since custodians do not verify the accuracy of the Adviser's fee calculation, clients should review custodial statements and promptly contact Sprout Advisers if any questions should arise. Clients must ensure they are receiving account statements directly from their custodian and promptly report address changes to both Sprout Advisers and their custodian. In the event a client finds that custodial account statements are not being received, they should immediately notify their custodian and Sprout Advisers.

Clients may set up ACH billing for the Adviser's fees. The direct billing on these accounts will be monthly, in arrears, based on the agreed upon management fee. In such cases, the account must be held by a qualified custodian and the client must receive account statements directly which shall reflect the deduction of the Adviser's fees.

Financial Planning and Consultation Services fees are paid directly to the Adviser. Sprout Advisers does not collect fees in advance and therefore will not accept fees of \$1200 or more per client and six or more months in advance of services (as this type of fee paid in advance constitutes custody of client funds).

FEES ASSOCIATED WITH INVESTING

The investment advisory fees disclosed herein represent fees for Sprout Advisers' services only. Clients are responsible for the payment of all third-party fees associated with investing. Clients may pay transaction

and brokerage commission to their broker/dealer or other service providers ("Financial Institution[s]" or Independent Managers) as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. If clients engage the services of other advisers, they can expect to incur fees from their other services providers.

All fees paid to Sprout Advisers for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Sprout Advisers does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to Sprout Advisers'. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

While the Adviser makes every effort to consider tax consequences, the sale of investments may cause taxable gain(s) or loss(es) to the client. Clients are welcome to consult their independent personal tax Adviser about tax consequences resulting from transactions or any particular investment held in their account.

PRE-PAYMENT OF FEES

Sprout Advisers does not accept fees of \$1200 per client and six or more months in advance of services. As described at Item 5 of this Brochure, Sprout Advisers' fees for Investment Management Services are invoiced monthly or quarterly in advance or arrears, depending upon the investment program utilized. Investment Management Services are ongoing until either party receives notice of termination. Either party may immediately terminate services with written notice to the other. Where services are terminated prior to the end of a billing period, the Adviser will only invoice for services up until the effective date of termination. Where services are invoiced in arrears, Sprout Advisers does not offer refunds as services have already been performed. Where services are invoiced in advance, Sprout Advisers will promptly return a pro-rated refund of unearned fees.

Sprout Advisers' Financial Planning and Consultation Services are invoiced in arrears. Fees are invoiced at the conclusion of services. Either party may immediately terminate Consultation or Financial Planning Services prior to the conclusion of services upon written notice. In such cases, the client will only be invoiced for time incurred by the Adviser up until the effective date of termination, at the discretion of the Adviser. For all clients, if Sprout Advisers' Form ADV 2A&B Brochures are not delivered at least 48 hours prior to engagement, clients are welcome to terminate services within 5 days of signing the Sprout Adviser Client Agreement without cost or penalty.

OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS TO CLIENTS

Sprout Advisers is a fee-based Registered Investment Adviser. Sprout Advisers does not accept any compensation or commission for the recommendation of securities products including asset-based sales charges or service fees from the sale of mutual funds. The Adviser is not an insurance agency and does not accept insurance commissions.

Tyler Hansen and other Investment Adviser Representatives are also independently licensed insurance agents, and appointed with various insurance companies, as disclosed in each Adviser Representative's ADV 2B Brochure. If clients purchase insurance from licensed Adviser Representatives, they will earn (not the Adviser) normal commissions paid by insurance companies and this presents a conflict of interest. However, Sprout Advisers acknowledges that it is a fiduciary to each of its clients. Clients are welcome but never obligated to purchase insurance from licensed Adviser Representatives and may utilize a service provider of their choosing should insurance needs ever arise. The time spent on this outside business activity may vary throughout the year but may entail approximately 20% of the Adviser Representatives' time.

Insurance products may be recommended to clients to minimize clients' exposure to identified risks and to meet personal and/or business needs. Clients are welcome but are never obligated to purchase insurance

products recommended or utilize any company that may be recommended. Clients are always welcome to utilize the insurance provider of their choice and can implement recommendations in whole or in part, entirely at their discretion. The recommendation and subsequent transactions in insurance products or services are not provided by Sprout Advisers. However, Sprout Advisers will ensure clients receive commission disclosure in writing prior to the purchase of insurance and will ensure licensed Adviser Representatives obtain specific consent from the Client before arranging for the purchase of any insurance product. Sprout Advisers further addresses this conflict of interest by requiring that its Adviser Representatives act as fiduciaries, place the best interest of our clients first.

Tyler Hansen is a licensed mortgage broker with Security Home Mortgage, LLC, an unaffiliated service firm. The time spent on this outside business activity may vary throughout the year but generally will involve less than 5% of his time. It is possible that clients of Sprout Advisers may be casually introduced to the mortgage services available but are never under any obligation to utilize these services. The recommendation and subsequent transactions in mortgage products or services are not provided by Sprout Advisers. However, Sprout Advisers will ensure clients receive compensation disclosure in writing in connection with this outside business activity. The Adviser requires that Adviser Representatives act as fiduciaries and place the best interest of our clients first.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Sprout does not charge performance-based fees that are based on a share of capital gains on, or capital appreciation of, the assets of a client. Therefore, the Adviser does not engage in side-by-side management (whereby performance-based accounts are managed alongside non-performance-based accounts).

ITEM 7: TYPES OF CLIENTS

Sprout generally provides financial advice and/or Investment Management services to individuals and high-net-worth individuals, retirement plans, trusts, estates, charitable organizations corporations and other businesses.

We do not require minimums as to income, assets, net worth, length of engagement, or other conditions for engaging our services. Sprout makes it possible for retail investors, as well as retirement accounts and trusts, to access its service with much lower account minimums than normally available in the industry.

As previously noted, unaffiliated management platforms that may be recommended to clients may impose a minimum portfolio size or other conditions, as described in the service providers' disclosure materials.

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF INVESTMENT LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Sprout Advisers believes each client presents a unique set of goals, values, interests, objectives, time horizons and challenges. The Adviser seeks to provide individualized attention and services to each investor. Sprout Advisers can offer advisory services for portfolios ranging from conservative to aggressive; each designed to meet the varying needs of and within the direction set forth by the investors.

Sprout Advisers clients participate in interviews and data gathering activities in an effort to help determine an investment plan or portfolio to best fit each client's stated individual situation. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process. In performing its services, the Adviser shall not be required to verify any information received from the client or from the

client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

Sprout Advisers personnel may recommend the services of Sprout Advisers, its Adviser Representatives in their individual capacities as investment managers, and in their other professional capacities through affiliated and unaffiliated firms as described in Item 10 of this Brochure.

Sprout Advisers' personnel may also recommend the services of unaffiliated Investment Managers as described herein. These managers offer various investment strategies that may be of interest to investors. Clients are welcome but are never obligated to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional, including the Adviser itself. It is important to review the Independent Managers' investment strategies as disclosed in each firm's ADV 2A Brochure.

After working with the client to identify both short-term and long-term financial goals, a strategic investment framework can be tailored to address these objectives and/or Sprout Advisers will seek to match the client with an appropriate Independent Manager's program.

Note: Despite the types of analysis performed by Sprout Advisers, any investment in securities carries market risk and investors may lose their principal investment.

Investment concepts are based upon a variety of sources including internal research, screening software, and publicly available materials. Third-party research is also utilized by the Adviser. Funds are researched and monitored internally with a process that emphasizes investment philosophy, management quality, and overall expense ratios. As with any strategy, there is never a guarantee that an Adviser's methods of analysis will result in a successful outcome.

Prospective investments are always considered in relation to the structure of the overall portfolio and purchased only when the Adviser feels such purchase improves the portfolio's overall risk-adjusted expected return potential. The Adviser normally sells investments when conditions warrant based on the Adviser's analysis rather than in accordance with a preset timetable. Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

Portfolio holdings or recommendations are generally judged by (managers' or investments') experience, track record and performance of like-kind investments. The Adviser will actively monitor and review each portfolio. Portfolio additions may be in cash or securities provided that the Adviser reserves the right to decline to accept particular securities into the client's account. Clients should be aware of the options and ramifications of transferring securities and the Adviser can provide assistance if it receives pre-notification of the client's intentions. When transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge), other investment-related fees and possibly tax ramifications (none of which are paid to Sprout Advisers).

While the Adviser makes every effort to consider tax consequences, the sale of investments may cause taxable gain(s) or loss(as) to the client. Clients are welcome to consult their independent personal tax Adviser about tax consequences resulting from transactions or any particular investment held in their account. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. The Adviser generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Self-Directed Transactions: As previously noted, Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not generally manage these types of investments unless agreed in writing.

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.

RISK OF INVESTMENT LOSS

Sprout Advisers cannot guarantee any level of performance or that any client will avoid losses to their account. **Any investment in securities or other investment vehicles carries risk and the possibility of financial loss that the Client should be able and prepared to bear.**

General Market Risk

All investment programs have certain risks that are borne by the investor, such as:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, mutual fund, or real estate may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of the investment's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Advisory Risk: There is no guarantee that Sprout's judgment or investment advisements about particular securities or asset classes will necessarily produce the intended results. It is possible that Clients or Sprout itself may experience equipment failure, loss of internet access, viruses, or other events that may impair access to Sprout's financial advisory service. Sprout and its representatives are not responsible to any Client for losses unless caused by Sprout breach its fiduciary duty.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties, tax lien certificates and other alternative assets such as REITs, funds and notes, are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Volatility and Correlation Risk: Sprout's advisement processes are based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client's account and may become more acute in times of market upheaval or high volatility. **Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.**

Legislative and Tax Risk: Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser / financial advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). Sprout does not engage in tax planning, and in certain circumstances a Client may incur taxable income on his or her investments without a cash distribution to pay the tax due.

RISK OF SPECIFIC SECURITIES

Investing in the financial markets, including the securities Sprout Advisers recommends to clients, involves the risk of loss—including loss of principal. Investing in securities involves risk of loss that clients should be prepared to bear. While Sprout Advisers attempts to manage risks associated with the financial markets and the securities it recommends to clients through its analysis and allocation methods, Sprout Advisers makes no guarantee or promise that advice given to clients through the management of client accounts will not result in losses. It is important to remember that past performance is not a guarantee of future results. Sprout Advisers generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity markets.

Depending upon the individual needs and objectives of the client, recommended investments may include, but are not limited to, the following: Mutual Funds such as Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Small Cap Growth, and Small Cap Value; Exchanged Trade Funds (ETFs); ADRs; Stocks; Bonds; Commodities; Options; Preferred Stock; High Yield Debt; Emerging Markets; Foreign Fixed Income; Domestic Fixed Income; Money Market Funds and Cash.

Investments in mutual funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Exchange traded funds (ETFs) - ETF Risks, including Net Asset Valuations and Tracking Error: ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange -traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Sprout Advisers plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Investments in individual stocks can be risky. Some risks can be relatively controlled, and some risks can be guarded against, but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Certain strategies may be employed to adjust portfolios or the Adviser and client may agree to hold the portfolio's course. Sprout Advisers designs portfolio strategies for the long-term, unless otherwise specifically requested in writing. Therefore, the Adviser does not attempt to time the market.

Fixed income investments generally are utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure.

There are certain risks involved in investing bonds: Government, Municipal, and Corporate and the following is an overview of the types of risks that one should consider: Interest rate risk; reinvestment risk; inflation risk; mark risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable/tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a “call provision” entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor’s principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates. If the bond is called at or close to par value, as is usually the case, investors who paid a premium for their bond also risk a loss of principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called. Additionally, there may be a liquidity risk involved if investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer.

Bonds are generally the most liquid during the period right after issuance when the typical bond has the highest trading volume. Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

Bank obligations, including bonds and certificates of deposit, may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are highly dependent upon short-term interest rates and may be adversely affected by downturns in the U.S. and foreign economies and/or changes in regulations.

Notes:

Sprout Advisers generally focuses more heavily on ETFs than mutual funds or individual stocks. Sprout Advisers will utilize ETFs solely for the Strategic and Tactical Portfolios

Sprout Advisers will not recommend investments in leveraged or inverse ETFs.

Clients are hereby advised to read each offering document carefully before investing. Past performance is not a guarantee of future returns. Investing in securities involves A risk of loss that all clients should be prepared to bear.

ITEM 9: DISCIPLINARY INFORMATION

Neither Sprout Advisers nor any of its personnel have been the subject of a reportable legal, financial, regulatory, self-regulatory, licensing or registration suspension or revocation, arbitration, or any other disciplinary event.

ITEM 10: OTHER FINANCIALINDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment adviser, Sprout Advisers must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third-party in connection with advising you. Neither Sprout nor its personnel are registered as a securities broker-dealer or as representatives of a broker-dealer. Furthermore, neither the firm nor its personnel are registered as a futures commission merchant, commodity pool operator or a commodity trading adviser.

REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST

Sprout Advisers does not operate as nor is it related to a hedge fund or other type of private pooled investment vehicle.

Sprout Advisers does not maintain registration relationships (pending or current) with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- other registered investment adviser
- investment company or other pooled investment vehicle (including a mutual fund, closed -end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- futures commission merchant, commodity pool operator, or commodity trading Adviser
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

As previously disclosed herein, Tyler Hansen is an independent insurance agent (Life and Health Licensed). Mr. Hansen's insurance activities represent approximately 20% of his time during the year. Other Sprout Advisers Adviser Representatives may spend 5-10% of their time on insurance services. While clients are welcome to purchase insurance products, they are never obligated to do so. If clients purchase insurance through Sprout Advisers' licensed personnel, they receive normal commissions paid by insurance companies.

Insurance Sales commissions received by appropriately licensed persons are paid directly from insurance companies. Commissions are not credited against the advisory fees clients pay to Sprout Advisers and are in addition to fees clients pay for Sprout Advisers for investment management or consultation services. Clients seeking insurance products will receive written disclosure pertaining to the commissions to be earned and clients must approve all contemplated transactions. The receipt of commissions for this outside business activity represents a conflict of interest between the Adviser Representative and the advisory client. However, Sprout Advisers attempts to mitigate any conflicts of interest to the best of its ability by placing the client's interests ahead of its own, through this ADV disclosure, Sprout Advisers' written Policies and Procedures which address the conflict and by meeting the supervisory and other requirements imposed on agents and insurance agencies by the Utah Insurance Commission. Sprout Advisers clients are free to select any insurance agency or insurance agent of their choosing. Clients are never obligated to utilize any person associated with Sprout Advisers in their separate capacity as an insurance agent. You may look up insurance licensing on and adviser via the following website maintained by the State of Utah by inserting the individual's name or license number in the fields provided. The website is <https://secure.utah.gov/agent-search/search.html#>

Tyler Hansen is also a licensed mortgage broker with Security Home Mortgage, LLC, an unaffiliated service firm. The time spent on this outside business activity may vary throughout the year but generally will involve less than 5% of his time. It is possible that clients of Sprout Advisers may be casually introduced to the mortgage services available but are never under any obligation to utilize these services.

Edward Stewart is also an owner of REI HOLDINGS, LLC, a service firm that specializes in real estate tax lien purchases. The time spent in this business may vary throughout the year but generally accounts for less than 5% of Mr. Stewart's time per week.

Edward Stewart is also an owner of Zulu Marketing, a service firm specializing in real estate and education services. The time spent in this business may vary throughout the year but generally accounts for less than 5% of his time per week.

Edward Stewart is also an owner of Sprout IRA, LLC, which provides assistance with the establishment of self-directed individual retirement plans. The time spent in this business may vary throughout the year but generally accounts for less than 5% of his time per week.

Clients are welcome but are never obligated to engage the services of a business operated by the Adviser's members and/or Adviser Representatives. Sprout Advisers acknowledges its fiduciary duty to its clients and places the needs and interests of clients ahead of the Adviser and its Adviser Representatives.

SELECTION OF OTHER MANAGERS AND ADVISER COMPENSATION

As described in Item 4 of this Brochure, Sprout Advisers may recommend unaffiliated independent managers when the Adviser believes the manager(s) may offer programs that are of interest to and could benefit the client. The Adviser generally seeks to recommend managers who are fee-only (do not accept commissions in connection with securities recommendations).

The selected independent manager(s) may provide access to investment platforms not otherwise available to other investment advisers (such as those requiring high investment minimums or institutional investment programs). The Independent managers may also offer specialized investment services or -may be uniquely qualified in some facet of investing. Clients are welcome but are never obligated to utilize the services of any recommended firm.

At this writing, recommended unaffiliated Advisers include: Vantage Point Management, Inc. The Pacific Financial Group, Inc., and similar firms.

Sprout Advisers will perform analysis and due diligence on any independent manager it may recommend and will update its due diligence information no less than annually. Where the Adviser provides co-management services, contact and reviews with the Independent Manager will occur as often as quarterly. The Adviser will consider the investor's stated financial situation, expressed needs and objectives and will prepare a referral to one or more unaffiliated independent investment managers depending upon the client's unique situation. Sprout Advisers will suggest managers based upon areas of expertise, experience, philosophies and senior staff personalities that may make a strong match based upon what we know about the client. In most cases, the Adviser and the selected independent manager may manage only a portion of the client's overall investment portfolio. The client has the ultimate decision (authority) over which independent manager's services are utilized, if any.

Normally Sprout Advisers will be engaged to provide co-management services and will retain its role as primary Adviser for its client. In such cases, Sprout Advisers does not charge a separate fee for its services and only receives a portion of the management fee collected by the independent manager pursuant to a written agreement. The management fee is split out by the qualified custodian at the time fees are deducted from the managed account(s). Therefore, in these cases, clients do not pay a separate investment management fee for the services provided by Sprout Advisers.

At the time of a referral, the Adviser will deliver the independent manager's ADV Part 2 Brochures, compensation disclosure information and any other materials required by rule or regulation to the investor. Investors are welcome but are never obligated to utilize any service provider that may be recommended. The services of recommended independent managers are separate and distinct from the services provided by Sprout Advisers. The selected independent managers are responsible for providing the agreed upon financial and/or investment services, suitability and due diligence, portfolio reporting (if applicable), prompt correction of any trade errors and best execution within their respective programs and pursuant to their written agreement with investors. The independent manager services can be terminated in accordance with the termination provisions set forth in the independent manager's (s') client agreement(s).

Sprout Advisers does not accept compensation for referrals. In the event the Adviser provides referrals for any other service providers (such as law firms, tax or accounting professionals, etc.), it will do so solely as a service to clients and will not accept compensation for or from any recommendation list.

Sprout Advisers does not compensate any person or firm for client referrals.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Sprout Advisers adheres to The National Association of Personal Financial Advisors (NAFPA) Code of Ethics. This code sets forth the basic policies of ethical conduct for all associated persons and personnel of the firm. We accept the obligation not only to comply with the mandates and requirements of all applicable laws and regulations, but also to act in an ethical and professionally responsible manner in all professional services and activities. Clients may request a copy of the NAFPA Code of Ethics and Sprout Advisers' own Code of Ethics by contacting us at support@sproutadvisers.com. Sprout Advisers and its personnel abide by all requirements to comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

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

As disclosed in Item 10 of this Brochure, the Adviser's related persons are also engaged in real estate and tax lien services via outside business activities. Sprout Advisers' clients are welcome but are never obligated to engage the services of the other business entities. It is possible that the affiliated persons of Sprout Advisers may be invested in the same or similar real estate and/or lien investments as the Adviser's clients. However, Sprout Advisers and its Adviser Representatives acknowledge their fiduciary duty to place the needs and interests of clients first and foremost.

INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS

On occasion, Sprout Advisers' personnel may often own the same securities we recommend to you or our other clients. While this may create a conflict of interest, the total volume of each transaction is insignificant to the market and will not affect transactions in client accounts. At no time does the firm or its personnel receive preferential treatment over clients and the Adviser and its Adviser Representatives will not place themselves in a position to have added benefit as a result of advice given to clients.

ITEM 12: BROKERAGE PRACTICES FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER DEALERS

Financial Planning and Consultation clients can use any brokerage firm of their choice to implement any desired transactions, in whole or in part, at their discretion.

Sprout Advisers is independently owned and operated and has no affiliation with the recommended custodial firms. The Adviser Representatives of Sprout Advisers are not registered representatives of any broker/dealer firm.

Sprout Advisers has established a non-exclusive relationship with IRA Services Trust Company ("IRA Services"), Folio FN and TD Ameritrade for custodial services. For clients who use Sprout Advisers' Investment Management Services, clients will enter into a separate agreement with IRA Services, FOLIO FN and/or TD Ameritrade to custody their assets.

We consider several factors in recommending custodians and broker-dealers to clients, such as ease of use, reputation, service execution, pricing and financial strength. Although the expenses and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, a client may pay fees and expenses that are higher than another qualified custodian or broker-dealer might charge to affect the same transaction where we determine, in good faith, that the fees and expenses are reasonable in relation to the value of the brokerage and research services received.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer and custodial services, including the value of research provided, execution capability, fees and expenses,

and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible expenses or transaction rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment management fee.

As previously noted, clients receiving Financial Planning and Consultation services are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part. Sprout Advisers does not accept client-directed brokerage in connection with its Investment Management Services.

RESEARCH AND OTHER SOFT-DOLLAR BENEFITS

Sprout Advisers has not entered into any agreement to receive soft dollars from any service provider.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from a broker-deal/custodian without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by us 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 to industry conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us in furtherance of its investment supervisory business operations.

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

Sprout's clients do not pay more for investment transactions effected and/or assets maintained at recommended broker-deal/custodian as a result of this arrangement. There is no corresponding commitment made by us to a recommended broker-deal/custodian 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.

Our policy is to restrict any non-cash compensation that we may receive from a service provider to that which enhances our ability to render quality advice and service to the client and does not impair our independence.

AGGREGATION (BLOCK) TRADING FOR MULTIPLE ACCOUNTS

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. Sprout Advisers may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients - differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of the Adviser's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

While these situations will be rare: Normally, under this procedure, transactions will generally be averaged as to price and allocated according to the Adviser's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Adviser executes only a partial fill of a targeted buy order, allocations will prioritize complete fills for clients with the most available cash as a percentage of portfolio assets. Likewise, when the Adviser executes only a partial fill of a targeted sell order, allocations will prioritize complete fills for clients with the least available cash as

a percent of portfolio assets. To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Representatives may invest, the Adviser shall normally do so in accordance with applicable rules promulgated under the SEC's Investment Advisers Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared, and any special circumstances or conditions will be outlined in connection with each event. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

Certain issues may impact the Adviser's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Recommended unaffiliated Investment Managers may engage in block trading and are required to disclose their trading practices in their respective Form ADV 2A Brochures at Item 12.

Trade error policy: The Adviser requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is the Adviser's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. The Adviser utilizes a trade-error account via its custodial service providers, as needed, to process trade error reimbursements. The custodial firms will normally retain any gains as the result of a trade error and will be deposited into a separate account. The service providers may donate these funds in accordance with their then-current internal donation policies. Clients are welcome to review their selected service provider's trade error disclosure information or are welcome to contact Sprout Advisers' with questions or concerns.

Trading Away: Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over-the-counter are effected on their behalf through the broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate the Adviser's ability to obtain best price and execution of transactions in over-the counter securities.

ITEM 13: REVIEW OF ACCOUNTS

While the underlying securities within client accounts are monitored on an ongoing basis, client accounts are internally reviewed quarterly at a minimum. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, and the political or economic environment. Portfolio reviews may also be triggered by significant account deposits or withdrawals. Additionally, we are happy to review the client's portfolio at any time upon their request. Reviews are conducted by Adviser Representatives under the direction of the Chief Compliance Officer.

On a periodic basis (but no less than annually), Sprout contacts each Client to remind them to review and update personal profile information they previously provided. Sprout also requests that Clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the Client's current information and contact information for the Sprout support team. Currently the Sprout team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: The Client Services Manager and the Client Services team.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES

SALES AWARDS OR OTHER PRIZES)

Sprout Advisers does not accept any economic benefit, directly or indirectly, from any third party for advice rendered to the firm's clients.

Those Adviser Representatives who are licensed insurance agents and mortgage brokers do not participate in sales contests.

COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS

Sprout Adviser does not compensate any non-advisory personnel member for client referrals. The Advisers staff is not compensated for referrals.

ITEM 15: CUSTODY

Sprout Advisers' does not take custody of client accounts, funds or securities at any time. Custody of client's accounts is held with a qualified custodian, as discussed in item 12 of this Brochure. However, with a client's consent, Sprout Advisers may be provided with the authority to deduct our fees from a client's account(s), which regulators deem to be constructive custody of assets. However, the Adviser conducts fee deduction activities in accordance only via qualified custodians and employs the safeguards established by the Investment Advisers Act as set forth in Item 5 of this Brochure. Therefore, Sprout Advisers is not required to comply with custody-reporting requirements.

The custodian does not verify the accuracy of our advisory fee calculation. Clients will receive account statements directly from the custodian and statements will reflect the deduction of advisory fees as well as important account information.

In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s). It is vitally important that clients receive regular and transactional account statements from their custodian(s) and clients should carefully review those statements. If clients find that statements are not being received directly or if statements contain any errors, they should promptly contact Sprout Financial and their custodial firm. Clients must also promptly report address changes to the Adviser and their custodial firm to avoid delays in information.

ITEM 16: INVESTMENT DISCRETION

LIMITED DISCRETIONARY TRADING AUTHORITY

For client accounts where Sprout Advisers provides ongoing management services, we enter into a limited discretionary Investment Management Agreement with the client that outlines our duties and responsibilities.

With the client's authorization as provided in the custodial account forms and the Adviser's client agreement, Sprout Advisers will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within the investor's designated investment objective, to include the securities to be bought and sold, and the amount of securities to be bought and sold. Sprout Financial will never have full power of attorney and will not have the authority to take custody of investor funds or securities other than the constructive custody associated with the deduction of contractually agreed advisory fees via the investor's qualified custodian (requires client authorization).

ITEM 17: VOTING CLIENT SECURITIES

Sprout Advisers will not ask for, nor accept voting authority for client securities. The client is responsible for

the manner in which proxies are voted, as well as all other elections relative to mergers, acquisitions, tender offers, or other events pertaining to the client's investments. The client will request receipt of their proxies and other solicitations directly from the custodian or transfer agent for their investments. We do not offer any consulting assistance regarding proxy issues to clients.

ITEM 18: FINANCIAL INFORMATION

Sprout Advisers does not require nor solicit prepayment of more than \$1200 in fees per client for advisory services six months or more in advance and therefore is not required to include a balance sheet with this brochure.

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

Sprout Advisers and its management have never been party to a bankruptcy petition.

PRIVACY POLICY

As a registered investment adviser, Sprout Advisers' must comply with SEC Regulation S-P (the "Privacy Rule"), which requires Registered investment Advisers to adopt policies and procedures to protect the "nonpublic personal information" of clients and consumers and to disclose to such person's policies and procedures designed for protecting that information.

Nonpublic personal information includes nonpublic "personally identifiable financial information" plus any list, description or grouping of customers that is derived from nonpublic personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by the Adviser to clients, and data or analyses derived from such nonpublic personal information.

Sprout Advisers values our clients' and consumers' trust and confidence. Privacy is an issue we take seriously.

In its role as Investment Adviser, Sprout Advisers routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to your name, address, phone number, account information, social security number, assets, employment, income and debt;
- Data about your accounts, transactions and parties to transactions and; health and beneficiary information (such as may pertain to planning issues);
- Information from other outside sources;
- Any other data that is deemed to be nonpublic personal information as defined by the SEC's Regulation S-P.

We will never sell the nonpublic personal information we obtain from consumers or clients. All information provided by clients or prospective clients to the Adviser, (including the Adviser's personnel), and information and advice furnished by the Adviser to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the investment advisory services offered by the Adviser via an affiliated or unaffiliated financial services provider (such as the client's selected manager, custodial firm or broker/dealer), or as required by any rule, regulation or law to which the Adviser and its staff may be subject.

Sprout Advisers maintains client and consumer records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Adviser who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests.

The Adviser has made reasonable efforts and conducts periodic tests to ensure that its electronic network is secure.

The Adviser's position and policies relating to the protection of non-public personal information extends beyond the life of the Adviser's Client Agreement. Client information is retained in a protected manner for the time period required by regulators (five years from the data of last use) and thereafter is safely destroyed via in-house shredding or a contracted secure shredding service.

Consumers (who are not clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Adviser also receive privacy protection. Original information will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

If, at any time, the Adviser adopts material changes to its privacy policies, the Adviser shall promptly provide each such client with a revised notice reflecting the new privacy policies.

Clients and consumers are welcome to discuss questions or concerns relating to the Adviser's privacy policy with Edward Stewart, the Chief Compliance Officer of Sprout Advisers.

Sharing Data with Affiliated Entities and Opportunity to Opt-Out

Sprout Advisers may share nonpublic personal consumer and client information with its affiliated entities (those listed in Item 10 of this Brochure) so information about their services can be shared with you. We may begin sharing information as soon as 30 days after you have received Sprout Advisers' privacy policy disclosure, but sharing will cease when you advise us of your decision to opt out of the sharing of data or when the client relationship with Sprout Advisers is terminated.

Clients and consumers are welcome to opt out of this information sharing at any time by contacting Sprout Advisers via email at support@SproutAdvisers.com, by writing to us at 2912 Executive Parkway, Suite 120 Lehi, UT 84043, or by contacting the Chief Compliance Officer at (855) 608-9424.