

ITEM 1. COVER PAGE OF PART 2A OF FORM ADV: FIRM BROCHURE

MARCH 29, 2019

**CORE FINANCIAL PARTNERS, INC. dba CORE FINANCIAL
700 MAIN STREET, UNIT 15
VENICE, CA 90291
310-450-6004**

**FIRM CONTACT:
JOHN KOUDSI, CHIEF COMPLIANCE OFFICER**

**FIRM WEBSITE ADDRESS:
WWW.CORECFP.COM**

This brochure provides information about the qualifications and business practices of Core Financial. If you have any questions about the contents of this brochure, please contact John Koudsi by telephone at 310-450-6004 or email at john@corecfp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Core Financial also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term “registered investment adviser” and description of Core Financial and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our employees.

Item 2. Material Changes

Core Financial is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Below is a summary of the material changes made to our brochure since the previous annual update filed on March 29, 2018.

Item 4. Advisory Business

We have amended our Brochure to disclose that we may recommend third-party managers to manage a portion of an asset management client’s portfolio. In this case, the client will enter into an agreement directly with the third-party manager. We serve in a consulting capacity to certain third-party managers that we recommend. We receive consulting fees for our services to those managers. This presents a conflict of interest as we may have an incentive to recommend a manager from which we receive a consulting fee. We have addressed this conflict in that we are generally able to negotiate lower management fees for our clients investing with those managers than the client would pay if they went directly to the manager for services. We have also amended our Brochure to describe alternative investments that we recommend and the risks and limitations of investing in those securities.

Item 5. Fees and Compensation

We have amended our disclosure to describe how we bill for management of private placements. Assets invested in private placements are billed monthly based on the quarterly value of the investment provided by the issuer. For portfolios that contain private placements recommended by us, we will automatically deduct the fee for the portion of assets invested in the private placement from your custodial account. You may specify the account(s) from which the fee is to be deducted. The use of third-party managers and private placements will incur fees that are separate and in addition to the asset management fees charged by us. For more information regarding these separate fees, please review the third-party manager’s Form ADV, Part 2 and the applicable offering documents.

Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We added disclosures on how and when we aggregate transactions and how we allocate aggregated transactions.

Item 12. Brokerage Practices

We amended our disclosures to clarify that clients must select either Schwab or Fidelity as their broker-dealer/custodian and clients cannot direct us to use a particular broker-dealer to execute transactions.

Item 15. Custody

We have amended our disclosure to state that we have custody of certain client assets.

We are deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

Core Financial has custody of the cash or securities of any investor in a private fund for which we or an affiliated person is the managing member/general partner of the fund, as that person has the ability to request funds from the custodian out of the account. We have put controls in place, in compliance with federal rules, to protect investors' assets in the fund. An independent qualified custodian holds the fund's assets. In addition, an independent accountant will audit the fund each year, and we send copies of the audited financial statements to all investors in the fund. An independent accountant will also audit the fund upon liquidation.

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Item 4. Advisory Business

We specialize in the following types of services: Financial Planning and Consulting and Wrapped Fee Asset Management. Material conflicts of interest are disclosed below regarding our firm, our representatives or our employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. Lower fees for comparable services may be available from other sources.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing Corporations, Partnerships, Sole Proprietors, foundations, Non-profits, Families, Individuals, and other entities with a wide array of investment advisory services. Our firm is a corporation formed in the State of California. Our firm has been in business as an investment adviser since 2010 and is wholly owned by John Koudsi.

B. Description of the types of advisory services we offer.

(i) Financial planning and consulting:

We typically provide a variety of financial planning services, pursuant to a written agreement to Corporations, Partnerships, Sole Proprietors, Foundations, Non-profits, Families, Individuals, and other entities regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas:

Personal Financial Planning:

- Cash Flow Analysis
- Retirement Planning Strategies
- College Education Planning Strategies
- Income Tax Planning
- Investment Management
- Alternative Investments
- Real Estate Investment Analysis
- Trust and Estate Planning
- Multi-Generational Planning
- Insurance Planning and Administration
- Life, Disability, Property/Casualty
- Mortgage Consulting & Coordination

Business Financial Planning:

- Corporate Tax Planning
- Financial Statement Analysis & Business/Tax Projections

- Entity Selection and Structuring
- Evaluate Business Opportunities
- Optimize Shareholder(s) Benefits
- Employee Benefit Programs
- Pension Consulting (in conjunction with Third Party Administrator (“TPA”))
 - Provide Timely Employee/Accounting/Investment Information to TPA.
 - Evaluate & Coordinate Timely Contributions to Plans.
 - Coordinate Timely Signing, Filing, and Retention of plan documents and government reports that TPA prepares for the appropriate agencies.
 - Facilitate Distribution of Required Information to Plan Participants and Beneficiaries.
 - Coordinate Issuance of Form 1099R(s) in Connection With Plan Distributions.
 - Coordinate Annual Plan Administration in Conjunction with Other Qualified Plans.
 - Consult on Discretionary Decisions Regarding Plan Administration.
 - Evaluate Need for and Coordinate Implementation of Fiduciary Bond(s).
 - Ensure IRS Required Minimum Distributions [RMDs] are Handled Properly.
- Employee Deferral 401k Plan Consulting & Administration
 - Evaluate and Update 401k Investment Menu.
 - Work with Bookkeeping/Internal Staff to coordinate bi-weekly 401k Contributions.
 - Provide Ongoing Service & Administration in Conjunction with 401k Custodian.
 - Consult with 401k Participants to Provide Accrued Benefit Statements and Investment Education.
- Negotiate Corporate Financing including Business Line(s) of Credit, Mortgage, & SBA Finance.
- Identify Debt Restructuring Opportunities
- Structure Real Estate Acquisitions and Dispositions
- Identify Cost-Segregation Opportunities
- Succession Planning
- Buy/Sell Agreement Review
- Strategic Exit Planning
- Insurance Planning and Strategies
- Coordinate Advice and Services in conjunction with tax, legal, actuarial, and other financial professionals.

The plan developed for financial consultation rendered to the client will usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. We may also refer clients to an accountant, attorney or other specialist. For planning engagements, Adviser will provide a written summary of client’s financial situation, observations, and recommendations. For consulting engagements, Adviser may

not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

We disclose to our financial planning clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

(ii) Asset management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, electronically traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged), structured notes, private equity funds which may include hard money lending, investing in client owned businesses or commercial real estate, non-traded REITs, private placements, or other securities. Many alternative investments require a minimum investment and are only available to investors who meet certain income and/or net worth requirements. We have a number of factors we consider when recommending alternative investments to clients that include but are not limited to the accreditation status, the level of interest a client expresses for such investments, past participation in such investments, and whether the investment would offer diversification to the client's portfolio. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We may also recommend a third-party manager to manage a portion of an asset management client's portfolio. In this case, the client will enter into an agreement directly with the third-party manager. We serve in a consulting capacity to certain third-party managers that we recommend. We receive consulting fees for our services to those managers. This presents a conflict of interest as we may have an incentive to recommend a manager from which we receive a consulting fee. We have addressed this conflict in that we are generally able to negotiate lower management fees for our clients investing with those managers than the client would pay if they went directly to the manager for services.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual tailoring of advice to clients:

We offer individualized investment advice to clients utilizing our Asset Management services. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning and Consulting.

(ii) Ability of clients to impose restrictions on investing in certain securities or types of securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Asset Management services. We do not manage assets through our other services.

D. Participation in wrap fee programs.

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure. Our wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. Our Asset Management services are provided through our wrap fee program, therefore, we do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage client assets in discretionary accounts on a continuous and regular basis. As of December 31, 2018, the total amount of assets under our management was \$212,861,000.

Item 5. Fees and Compensation

We are required to describe how we are compensated for our services. Our fees are negotiable as described below.

A. Description of how we are compensated for our advisory services provided to you.

(i) Financial planning and consulting:

We charge a flat fee for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Flat fees generally range from \$5,000 to \$50,000. Our hourly rate is \$450 and is used for the purposes of calculating pro-rated flat fees in the case of termination. We require one half of the retainer for financial planning or consulting services upon executing of a Financial Planning and Consulting Agreement.

We disclose to our financial planning clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser’s recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

(ii) Asset Management:

<u>Assets under management</u>	<u>Annual percentage of assets charge*:</u>
\$0 to \$1,000,000	2.00%
\$1,000,000 to \$3,000,000	1.75%
\$3,000,000 to \$5,000,000	1.50%
\$5,000,000 to \$10,000,000	1.00%
\$10,000,000 to \$20,000,000	0.90%
\$20,000,000 to \$50,000,000	0.75%
Above \$50,000,000	0.60%

* Some accounts may be under different fee schedules honoring prior agreements. Our standard fee schedule may be negotiable based on a number of factors, which include but are not limited to “grandfathered” accounts, related accounts, and other structures that we may consider in special situations. Our firm’s asset management fees are billed on a pro-rata annualized basis monthly in advance based on the value of your account on the last day of previous month. Assets invested in private placements are billed monthly based on the most recent value provided by the issuer.

B. Description of whether we deduct fees from clients’ assets or bill clients for fees incurred.

(i) Financial planning and consulting:

Fees for financial planning and consulting are payable twice a year, with the first half due and payable at the time the client’s agreement is executed.

(ii) Asset management:

Fees will generally be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) You provide authorization permitting us to be directly paid by these terms; and
- b) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us.

*In rare cases, we will agree to directly bill clients.

For portfolios that contain private placements recommended by us, we will automatically deduct the fee for the portion of assets invested in the private placement from your custodial account. You may specify the account(s) from which the fee is to be deducted.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). Wrap fee clients will not incur transaction costs for trades initiated by us; however, clients will incur transaction charges for any trades the client specifically directs us to place on their behalf or that they place themselves. Clients may pay the following separately

incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. More information about this is disclosed in our separate Wrap Fee Program Brochure.

The use of third-party managers and private placements will incur fees that are separate and in addition to the asset management fees we charge. For more information regarding these separate fees, please review the third-party manager's Form ADV, Part 2 and the applicable private placement memorandum.

Mr. Koulsi owns a portion of Counterpoint Mutual Funds, LLC which is the adviser to the Counterpoint Tactical Income Fund and the Counterpoint Tactical Equity Fund. Mr. Koulsi earns a portion of the funds' management fee. Core Financial's advisers recommend investments in the funds which represents a conflict of interest. To mitigate the conflict, Core Financial will reduce the advisory fee by any fees received from the funds (fee offset.)

- D. We must disclose if client's advisory fees are due in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

We charge our advisory fees monthly in advance. Fees attributable to private placements are charged quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. For financial planning and consulting clients, we will calculate our earned fee on the basis of \$450 per hour and refund any portion of the flat fee in excess of fees earned. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

- E. Commissionable Securities Sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

Item 6. Performance-Based Fees & Side-By-Side Management

We do not charge performance fees to our clients.

Item 7. Types of Clients & Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Pension and Profit Sharing Plans;

- Corporations, limited liability companies and/or other business types;
- Insurance Companies.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We generally require a minimum account balance of \$500,000 for our asset management. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm. We may negotiate the minimum account balance at our discretion, such as, when a client anticipates being able to meet the minimum account balance through additional contributions to the account within a relatively short period of time.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- ***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- ***Technical Analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Investment Strategies We Use:

- ***Long-Term Purchases.*** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- ***Short-term Purchases.*** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.
- ***Trading.*** We purchase securities with the idea of selling them very quickly (typically

within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

- **Short Sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.
- **Margin Transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.
- **Option Writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:
 - A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
 - A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Please Note:

Investing in securities involves risk of loss that clients should be prepared to bear.

While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. The value of your investment in a private placement may be worth more or less than the initial

commitment value. Private placements pose liquidity risk and redemptions are only permitted at specific intervals. There may be a potentially lengthy time period before you are able to redeem your interests, during which time you remain subject to all risks associated with the private placement. It is important that you understand the risks associated with investing, are appropriately diversified in your investments, and ask us any questions you may have.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material. For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10. Other Financial Industry Activities & Affiliations

- A. Description of any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

As a licensed insurance agent, Mr. Koudsi may recommend to advisory clients a variety of insurance products, and may offer commissionable insurance products to CFP's clients. While CFP does not receive any commission for insurance recommendations, these agents receive commissions on the sale of insurance products. This presents a conflict of interest because these agents have an incentive to recommend insurance products to receive commissions. In all cases, CFP will fully disclose any insurance commissions to the client. The insurance commissions are separate from and in addition to any fees that CFP receives for advisory services. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents if they decide to follow their

recommendations. This activity takes approximately 5% of Mr. Koudsi's time.

Mr. Koudsi is part-owner in a privately-held commercial storage firm which takes up 2% of his time; none of which during trading hours. It is important to note that associated persons of CFP may solicit its advisory clients to invest in this firm. This is a conflict of interest. We mitigate any potential conflict by putting the interests of our client before those of its associated persons and by disclosing our proprietary interest in the investment to the client.

Mr. Koudsi is a part-owner of Counterpoint Mutual Funds, LLC, the investment adviser to the Counterpoint Tactical Income Fund and the Counterpoint Tactical Equity Fund. Mr. Koudsi is also a co-manager of the Counterpoint Tactical Income Fund. Mr. Koudsi receives compensation from Counterpoint which represents a conflict of interest that is mitigated by a fee offset. See Item 5.C – Fees and Compensation for details of the fee offset.

- B. If we recommend or select other investment advisers for our clients and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Counterpoint – Role of Counterpoint Mutual Funds

Counterpoint Mutual Funds is a provider of innovative liquid alternative mutual funds which feature innovative, tactical, and conservative characteristics. The funds managed by Counterpoint employ algorithmic trend-following decision tools to determine when to buy and sell mutual funds and ETFs of high yielding bonds, low duration treasuries, cash equivalents, and US and International stocks. Given their low correlation to traditional (long-only) investments, Counterpoint's funds were established to enhance portfolio diversification, reduce risk, and provide consistent overall returns for investors, including Core Financial clients.

Core's affiliation with Counterpoint reflects our firm's fundamental belief that liquid alternative investments, which have been used by large institutions and endowments for quite some time, should be made accessible to individual retail investors. While access to liquid hedge funds and other quantitative strategies has expanded in recent years, Counterpoint's emphatic emphasis on risk management and downside protection is unique amongst other liquid-alternative funds in the marketplace.

Role of Private Placements (including Trojan Storage Funds)

Private placements, including Private Equity, Private Real Estate, Private Debt, and other private funds (which the principal(s) of our firm may elect to co-sponsor) may be recommend to our clients in order to help them achieve potentially greater current income and capital appreciation, while reducing volatility and achieving above-average uncorrelated returns relative to all other asset categories. Our due diligence process emphasizes rigorous analysis which focuses on manager track record, risk/adjusted returns, style purity, fees, investor minimums, and liquidity features.

When public investment vehicles do not meet our desired criteria, we may direct a reasonable segment of our clients' portfolios to be allocated to a strategy which the principal(s) of our firm may co-sponsor. In this instance, the principal(s) of our firm make(s) every effort clearly disclose any potential conflicts of interest to clients and/or prospective investors prior to moving forward with such private strategies.

Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to certain transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Additionally, we may aggregate trades in like securities among client accounts as well as with accounts of our personnel, as described in the policies below. Aggregation presents a conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our personnel. Our policies to address this conflict are as follows: (1) We will disclose our aggregation policies in this brochure; (2) We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation; (3) We will not favor any account over any other account. This includes accounts of any of our personnel. Each account in the aggregated order will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs; (4) Before entering an aggregated order, we will prepare a written statement (the "Allocation Statement") specifying the participating accounts and how we intend to allocate the order among those accounts; (5) If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement; if the order is partially filled, we will allocate it pro-rata according to the Allocation Statement; (6) However, we may allocate the order differently than specified in the Allocation Statement if all client accounts receive fair and equitable treatment. In this case, we will explain the reasons for a different allocation in writing; (7) Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account; (8) Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients' cash and

securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical; (9) We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and (10) We will provide individual investment advice and treatment to each client's account.

Furthermore, our firm has established a Code of Ethics which applies to all of our supervised persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- C. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will place transactions for themselves after transactions for clients in the same securities.

Item 12. Brokerage Practices

A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and other soft dollar benefits.

If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm may recommend that clients establish brokerage accounts with Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Brokerage Services LLC (“Fidelity”), registered broker-dealers, Members SIPC. Schwab/Fidelity services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm. Our firm is independently owned and operated and not affiliated with Schwab/Fidelity. Our firm may also recommend that Clients establish accounts with firms other than Schwab/Fidelity.

a. Explanation of when we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

As part of the arrangement described in Item 12A1, Schwab/Fidelity also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Schwab/Fidelity directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab/Fidelity to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab/Fidelity to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients’ interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)(a) of this Firm Brochure for no

additional cost, we may have an incentive to continue to use or expand the use of Schwab/Fidelity's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab or Fidelity and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Schwab/Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions); however, as our clients are charged a bundled fee for investment advisory services and the executions of transactions, clients will not incur fees for transactions initiated by Core Financial.

- c. Causing clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying- up).

We do not receive soft dollar benefits as a result of higher commission charges to the client. We receive the services discussed in 12A(1)(a) of this Firm Brochure for no additional cost. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

The investment research products and services that may be obtained by our firm will generally be used to service all of our clients, and clients will not incur separate fees for transactions initiated by Core Financial.

2. Brokerage for Client Referrals.

If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (i.e., the system of controls used by us when allocating brokerage)

Our firm does not receive brokerage for client referrals.

- a. Directed Brokerage.

If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it

presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

- b. If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

We will not allow clients to direct us to use a specific broker-dealer to execute transactions. Clients must use the broker-dealer/custodian that they selected to custody their account(s) to execute transactions. Not all investment advisers require their clients to trade through specific brokerage firms. By requiring clients to use Schwab/Fidelity, we believe we may be able to more effectively manage the client's

portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation. We describe our aggregation practices in detail under Item 11 A. above.

Item 13. Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We provide ongoing services to financial planning clients, when so engaged, and meet with such clients to discuss updates to their plans, changes in their circumstances, etc.

We review asset management accounts on at least a quarterly basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

As also mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they are engaged for

ongoing services with us for a post-financial plan meeting or update to their initial written financial plan. Ongoing services will automatically renew annually.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Asset Management services.

Item 14. Client Referrals & Other Compensation

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Schwab/Fidelity:

Our firm places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Our firm may use broker-dealers other than Schwab/Fidelity to execute trades for client accounts maintained at Schwab/Fidelity, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab/Fidelity rather than other broker-dealers. Schwab/Fidelity's execution quality may be different than other broker-dealers. For our client accounts maintained in its custody, Schwab/Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab/Fidelity or that settle into Schwab/Fidelity accounts.

Some of the products, services and other benefits provided by Schwab/Fidelity benefit us and may not benefit our firm's client accounts. These benefits may include national, regional or specific to our firm, educational events organized and/or sponsored by Schwab/Fidelity. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab/Fidelity personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at Schwab/Fidelity. Schwab/Fidelity also makes available to us other services intended to help our firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab/Fidelity may make available, arrange and/or pay vendors

for these types of services rendered to our firm by independent third parties. Schwab/Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

While, as a fiduciary, our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Schwab/Fidelity may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab/Fidelity, which may create a potential conflict of interest.

Without the bundled services we receive from Schwab/Fidelity, we would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, we may have an incentive to continue to place client trades through broker-dealers that offer these bundled services. This interest conflicts with the clients' interest of obtaining the lowest commission rate available. Therefore, our firm must determine in good faith, based on the "best execution" policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

From time-to-time our firm may make an error in submitting a trade order on a client's behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or our firm confers with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. If the gain does not remain in the client's account and Fidelity is the custodian, Fidelity will retain the gain. If a loss occurs, we will pay for the loss. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We currently do not pay or receive compensation for client referrals.

Item 15. Custody

- A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) sends account statements with respect to those funds or securities directly to our clients, we must disclose

that we have custody.

We have limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. We are also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from us as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

We also have custody of the cash or securities of any investor in a private fund for which we or an affiliated person is the managing member/general partner of the fund, as that person has the ability to request funds from the custodian out of the account. We have put controls in place, in compliance with federal rules, to protect investors' assets in the fund. An independent qualified custodian holds the fund's assets. In addition, an independent accountant audits the fund each year, and we send copies of the audited financial statements to all investors in the fund. An independent accountant will also audit the fund upon liquidation.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17. Voting Client Securities

If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

We do not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

Item 18. Financial Information

- A. If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

- B. If we have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.