



CULTIVAR CAPITAL, INC.

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(Item 1)

This brochure provides information about the qualifications and business practices of Cultivar Capital, Inc. If you have any questions about the contents of this brochure, please contact us at 940-600-4553. 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 Cultivar Capital, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes (Item 2)

The last annual update of this brochure was in March 2018. No material changes have occurred since that update.

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ADVISORY BUSINESS (ITEM 4)

Advisory Firm Description

Cultivar Capital, Inc. ("Cultivar" or the "Firm") is a fee-only registered investment advisory firm. The owner of the firm, Thomas E. Muir, has over 20 years of financial industry experience, having been a principal at a prior firm starting in 1999 and subsequently forming Cultivar in December 2011.

Types of Advisory Services

PORTFOLIO MANAGEMENT SERVICES

Cultivar provides investment supervisory services, including portfolio selection and portfolio management services. Investment advice is based on the individual needs and objectives of the client. Progress toward the client's goals is monitored periodically.

When opening an investment management account, the advisory representative obtains the necessary information to assist the client in determining the suitability of an investment program. This includes helping the client assess his or her risk tolerance and setting appropriate investment objectives (e.g., lower volatility, medium volatility, higher volatility, etc.). An advisory representative of Cultivar then suggests investment portfolio alternatives to meet the client's objectives, factoring in the current investment and economic conditions. Clients are under no obligation to accept recommendations by the advisor or authorize transactions through the advisor.

FINANCIAL PLANNING SERVICES

Cultivar provides ongoing financial planning advice to clients as an integral part of its services. This is most often done during routine client meetings on a consultative basis as client issues and inquiries arise. It is a significant part of the overall client relationship, as Cultivar desires to be available for clients as they face life circumstances.

During client consultations, a representative of Cultivar addresses various topics of concern to clients, including all or selected topics from the following areas as they apply to each client's situation:

- Retirement Planning
- Education Planning
- Investment Planning
- Portfolio Analysis
- Tax Planning
- Risk Management
- Estate Planning

Should a client choose to implement recommendations discussed during this consultative process, Cultivar suggests a client work closely with his/her attorney,

accountant, insurance agent and other professionals that he/she may wish to consult. Implementation of recommendations is entirely at the client's discretion.

Tailored Advisory Services

Each portfolio is tailored similarly, by matching a client's investment objective and risk tolerance, goals and objectives to the appropriate asset allocation and mix of securities. Clients have the ability to restrict the Firm from buying or selling particular investments in their portfolios. Any client may change or add restrictions at any time by notifying Cultivar in writing or by phone.

Client Assets Under Management

As of December 31, 2018, the Firm had \$208,402,577 of total assets under management, of which \$208,183,479 is managed on a discretionary basis with the remaining assets under management of \$219,098 managed on a non-discretionary basis.

FEES AND COMPENSATION (ITEM 5)

ASSET MANAGEMENT FEES

The client's account will be billed automatically for asset management fees, in accordance with the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>	<u>Billed Quarterly</u>
Up to \$250,000	1.00%	0.2500%
\$250,001 – 500,000	.75%	0.1875%
\$500,001 – 1,000,000	.50%	0.1250%
Over 1,000,000	.25%	0.0625%

Cultivar may negotiate its fee schedule. When determining a negotiated fee schedule, the Firm may consider, but is not limited to consideration of, the size of the prospective client, the prospective client's potential to refer future business, and the expected costs of maintaining the client relationship. Because of these negotiations some clients with the same amount of assets under management are paying more than others. Cultivar does not differentiate its services to clients based on their individual fee arrangements.

Fees for Cultivar's portfolio management services are billed quarterly in advance and are deducted from the client's account. Fees are calculated by multiplying one fourth of the indicated annual fee by the total dollar amount of assets under management at the market close of the last trading day of each quarter as reported by the custodian. For accounts that are placed under management after the beginning of the quarter, the management fee will be prorated based on the actual number of days during the quarter the assets were held in the account. The first payment is due at the beginning of the first full quarter after the client executes the investment advisory agreement. The first fee will include both the normal quarterly fee paid in advance and a pro-rated fee based on the original deposit adjusted for contributions and withdrawals for the first partial quarter. Subsequently, any intra-quarter contributions or withdrawals of \$10,000 or more are

adjusted for in the immediately following quarterly billing statement. Quarterly payments are due and will be assessed based on the value on the last trading day of the preceding quarter. Upon termination, the client is entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination. Either party, upon written notice, may terminate the investment advisory agreement.

Clients should be aware that, in addition to the investment advisory fees paid by the client in connection with the advisor's portfolio management services, each mutual fund, money market fund, exchange-traded fund ("ETF") or exchange-traded note ("ETN") also charges its own separate investment advisory management fees and other expenses. The fees and expenses are generally described in each fund's prospectus. A client could invest directly in many of the investment vehicles used by Cultivar. In such cases, the client would not receive the services provided by Cultivar which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the investment vehicles and the fees charged by Cultivar to understand fully the total amount of fees to be paid by the client and to evaluate the advisory services being provided. When Cultivar recommends investment in an open-ended mutual fund, it only recommends no load funds. The Firm makes every effort to purchase institutional shares when such share classes are available with a desired manager and the client account is of sufficient size to warrant the use of an institutional share class with its requisite transaction charge.

TRANSACTION CHARGES

To the extent that security transactions are executed only through Charles Schwab & Company, Inc. ("Schwab"), they will be subject to commissions or transaction-related charges which are paid by the client according to the custodian's most current fee schedule. This schedule will be provided to the client upon request. Please see "Brokerage Practices" for more details on Cultivar's selection of brokers and its trading practices. Schwab also provides some open-end mutual funds with no transaction fees. Cultivar evaluates this in determining the best investment opportunity for clients, weighing the quality of the investment with the total costs a client would incur.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (ITEM 6)

Cultivar does not charge performance-based fees so this does not apply.

TYPES OF CLIENTS (ITEM 7)

Cultivar provides portfolio management services to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates or charitable organizations

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (ITEM 8)

Cultivar focuses primarily on fundamental analysis. However, the Firm gives consideration to technical aspects of an investment based on the economic environment, the investment's cyclical position and its suitability to the particular client. Cultivar also reviews charts and other technical indicators in making investment decisions.

Cultivar uses various sources for its research. In choosing mutual funds and ETFs, a primary source of information is the Morningstar research database. The Firm also maintains a license to Bloomberg's research terminal, which broadens its research capabilities. This research is often supplemented and enhanced by reviewing information directly from the fund family, including prospectuses and other research.

Cultivar uses a mixture of no-load mutual funds, ETFs, ETNs, and some individual stocks to implement a broadly diversified strategy. Cultivar selects retail as well as institutional funds for investment on behalf of clients. The investments are monitored for performance, volatility and style consistency. This provides risk control and historically raises the probability of long-term success. Diversification provides a strategy that can be maintained through the ups and downs of volatile markets, allowing a client to build time in the market, rather than timing the market.

When new clients come to Cultivar with securities already in place, Cultivar will provide advice on such securities, as needed, to assist clients.

ASSET ALLOCATION PROGRAM

Cultivar's core investment philosophy centers around the allocation of assets across various security types. The Firm has defined five basic strategies ranging from low volatility to high volatility, with different allocations for each. Investments in each client's portfolio are allocated across fixed income, alternatives, equities, commodities (or hard assets) and cash. Each client's asset allocation is determined by the client's investment objective, any legacy investments to be retained, and the client's tolerance for volatility. Advisory clients' accounts are generally invested in, but not restricted to, registered open-end investment companies ("mutual funds"), ETFs, ETNs, and individual stocks. Cultivar generally holds to a long-term asset allocation investment process.

Due to unique client circumstances, there may be the need to supplement this core long-term strategy with short-term purchases or the holding of legacy client positions. On occasion, this can lead Cultivar to trade in investments outside the core strategy, including closed-end funds, options and fixed income securities for clients. These unique strategies are generally implemented to manage concentrated position risk, to control the timing of taxation or to manage overall portfolio risk.

In designing the allocation of diverse investments, Cultivar uses a multi-step process. First, the investor's investment objectives, time horizons and risk tolerance are evaluated through fact gathering and discussion. Then, an allocation is determined consistent with the client's long-term goals. The asset allocation is disciplined and will be maintained

until there are changes in (i) economic circumstances, (ii) market valuations and/or (iii) the client's risk tolerance, goals and/or objective. Multiple investments are utilized to diversify among asset classes, styles and strategies. Should the client's individual situation change, the client should notify Cultivar. An advisor representative can assist the client in revising the current portfolio or determining whether an adjustment in allocation is needed based on the client's new situation.

CONCENTRATED STOCK RISK MANAGEMENT

Some clients come to Cultivar with large concentrated stock positions or other legacy holdings. Cultivar helps clients weigh the risk of maintaining the position by considering multiple factors. These factors may include the taxability of any gain realized, the prospects for the stock and the availability of other hedging strategies. This consultative process is multi-faceted and collaborative with the client. It is meant to ensure the client understands the risks and rewards of maintaining the concentrated position versus pursuing some form of liquidation or hedging strategy.

RISKS

Cultivar does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

Following are some risks particular to Cultivar's investment strategies:

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus a client may lose money investing in mutual funds. All mutual funds have internal expenses and fees that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).

Equity Securities: Cultivar buys, on its clients' behalf, equity securities the Firm believes to be undervalued, seeking to profit from both security selection and thematic sector or market timing decisions. The value of these investments will generally vary with their issuer's performance and movements in the equity markets. Consequently, clients may experience losses if they invest in equity instruments of issuers whose performance diverges from our expectations.

Fixed-Income Securities: Some of Cultivar clients may invest in bonds or other fixed-income securities. Fixed-income securities provide periodic returns and the eventual return of the principal at the end of the term. The value of fixed-income securities changes in response to interest rate fluctuations and market perception of the issuer's ability to pay off its obligations. Fixed-income securities are also subject to the risk that their issuer may be unable to make interest or principal payments on its obligations.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks with pricing occurring throughout the trading day. ETFs,

similar to mutual funds, contain internal expenses and fees which lower investment returns.

Exchange-Traded Notes (ETNs): An ETN is a bond issued by a financial institution, which is a “counterparty” for the ETN. That company promises to pay ETN holders the return on some index over a certain period of time and return the principal of the investment at maturity. However, if that institution should become bankrupt or suffer other financial hardships (“counterparty risk”), it would not be able to make good on its promise to pay.

Options: There are risks associated with the sale and purchase of options. Cultivar clients may invest in call and/or put options. Call options are the right to buy a security at a certain price within a defined time period. Put options are the right to sell a security at a certain price within a defined time period. A buyer of either type of option assumes the risk of losing its entire investment in the option. A buyer of a call option risks losing its investment if the particular security never reaches the designated price within the set time period. A buyer of a put option risks losing the investment if the particular security does not decline enough to reach the designated price within the set time period.

DISCIPLINARY INFORMATION (ITEM 9)

There have been no disciplinary actions against Cultivar.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (ITEM 10)

Cultivar is not affiliated with a broker-dealer and does not have any other financial industry activities or affiliations beyond its role as investment advisor.

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

Code of Ethics

Cultivar has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients' interests come before employees' personal interests and before the Firm's interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or clients' securities trades.

Personal Securities Trading

Mutual Funds: Cultivar, or individuals associated with Cultivar, may buy or sell securities identical to those recommended to customers for their personal accounts. Cultivar often recommends mutual fund portfolios to its clients. Open end mutual funds are traded at the close of each trading day, thereby eliminating any price advantage that a person associated with Cultivar might reserve over Cultivar's clients. Therefore, Cultivar's employees are allowed to trade in open end mutual funds at their discretion.

Equities and Other Securities: Cultivar employees may trade in equities and other securities after approval by the Chief Compliance Officer. Employees may participate in equity block trades with clients (receiving the same price), or employee trades may occur no sooner than the day after trades placed on behalf of clients. In addition, any related person(s) may have an interest or position in a certain security that may also be recommended to a client. Investing in IPOs or private placements in personal accounts must be preapproved by the Chief Compliance Officer.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

Outside Business Activities

Firm personnel may be directors of publicly traded entities only with prior approval of the Chief Compliance Officer. Employees are required to report any outside business

activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

BROKERAGE PRACTICES (ITEM 12)

Cultivar participates in the Schwab Institutional services program offered to independent investment advisors by Schwab, a FINRA-registered broker-dealer. Clients in need of brokerage and custodial services will generally have Schwab recommended to them due to Schwab's:

- Discounted commission structure
- Arrangements with multiple mutual fund families to trade through Schwab
- Financial stability
- Provision of account information online to all clients
- Client service to Cultivar and its clients and
- Ease of reporting to Cultivar and its clients.

As part of Schwab's program, Cultivar receives benefits that it would not receive if it did not offer investment advice.

Clients approve the use of Schwab as their custodian at the onset of the relationship. In recommending a particular broker-dealer, it should be understood that the client will be subject to that particular broker-dealer's transaction or commission schedule. Cultivar does not have the authority to negotiate commissions, transaction fees or obtain volume discounts with Schwab. This could affect the execution costs borne by the client, and may result in a disparity in commission or transaction charges among clients. Cultivar generally enacts all trades through the custodian to avoid incurring extra fees for "trading away" from the custodian. These fees are charged by the custodian to the account for its administrative efforts to book the trade enacted through another broker-dealer. However, Cultivar might incur such fees if necessary to gain access to a desired investment opportunity and these fees were in alignment with those customary for the industry. Not all transactions enacted at Schwab incur commissions or transaction charges.

Most 529 plans are held by custodians other than Schwab through plans adopted by individual states.

Research and Other Soft-Dollar Benefits

Schwab provides Cultivar with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab. These services are not contingent upon Cultivar committing to Schwab any additional specific amount of business. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Cultivar's client accounts maintained in its custody, Schwab 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 or that settle into Schwab accounts.

Schwab also makes available to Cultivar other products and services that benefit Cultivar but may not directly benefit its clients' accounts. Many of these products and services are used to service all or some substantial number of Cultivar's accounts.

Schwab's products and services that assist Cultivar in managing and administering clients' accounts include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide research, pricing and other market data
- Facilitate payment of Cultivar's fees from its clients' accounts
- Assist with back-office functions, recordkeeping and client reporting

Schwab also offers other services intended to help Cultivar manage and further develop its business enterprise. These services include:

- Compliance, legal and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers.

Schwab makes available third-party vendors for the types of services rendered to Cultivar. Schwab discounts fees of a third-party (such as UPS) providing these services to Cultivar. Schwab also provides other benefits such as educational events or occasional business entertainment of Cultivar personnel. In evaluating whether to require that clients custody their assets at Schwab, Cultivar may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Brokerage for Client Referrals

Cultivar does not direct trades to particular brokers in exchange for receiving client referrals.

Directed Brokerage

Clients are not permitted to request that trades be enacted through a specific broker. Cultivar requires clients to use Schwab as account custodian, except for 529 plans. Not all advisors require their clients to use a particular custodian or broker.

Order Aggregation

Accounts are generally managed on an individual, rolling basis except for strategy-wide rebalancing and investment changes. If there is a strategy-wide allocation change, Cultivar often aggregates orders to ensure pricing and timing are the same across participating client accounts. Trades enacted for clients in the same security during the same day, such as ETFs, that are not aggregated may receive different prices.

Since Schwab charges transaction fees at the account level whether or not a trade is placed as a block trade, aggregating trades does not affect client transaction fees.

REVIEW OF ACCOUNTS (ITEM 13)

PORTFOLIO MANAGEMENT SERVICES

Cultivar conducts periodic reviews of client accounts, generally no less than annually. These reviews entail comparing the client's investment objective to the portfolio holdings, cash flows, changes in the client's financial position, and often discussion with the client.

An advisor will meet with each client on a periodic basis to review the client's accounts. The frequency of these reviews can be impacted by several factors including:

- The size and complexity of the client's accounts
- The complexity of the client's financial situation
- Unexpected changes in the client's goals or objectives
- Changes in market, economic or political circumstances
- Other lifestyle changes warranting a review of the client's financial situation

Periodic written performance reports will be prepared for each review in addition to the monthly account statements and confirmations that are generated by the custodian.

CLIENT REFERRALS AND OTHER COMPENSATION (ITEM 14)

Cultivar does not pay outside parties for referring clients. The Firm receives no cash benefit, including commissions, from any party in connection with clients' accounts.

CUSTODY (ITEM 15)

Generally, the client's investments are held at Schwab, a registered broker-dealer, member SIPC. Advisory representatives do not usually recommend investment of an advisory client's account in investments that are not sold by or through Schwab.

However, the advisor may make a recommendation of an alternative custodian should a client's situation warrant such alternative recommendation. Cultivar uses only qualified custodians to hold clients' assets.

The client approves the use of Schwab as custodian at the inception of the relationship by signing the account application. While Cultivar recommends Schwab, Cultivar is independently owned and operated and not affiliated with Schwab.

Because Cultivar generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, Cultivar is considered to have "custody" of client assets. Custody is defined as having any access to client funds or securities. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account.

Mr. Muir is trustee for several client accounts, which are held at Schwab. The trustee relationship puts Cultivar in a custody capacity, so these accounts are surprise examined annually by a public accounting firm.

Additionally, several Cultivar clients have established standing instructions which allow clients to direct Cultivar to send funds from their account to third parties. Cultivar also has custody over these accounts since the amount and/or timing of these transfers are not pre-defined. However, these accounts do not require surprise examination by a public accounting firm.

When clients receive their statements from the account custodian, clients should carefully review those statements and take the time to compare them with any they receive from Cultivar. If the client finds significant discrepancies, the custodian and Cultivar should be notified. Statements may differ depending on the report date (custodians report as of settlement date, and many portfolio management systems report as of trade date), and difference in reporting accrued dividends and interest.

INVESTMENT DISCRETION (ITEM 16)

Cultivar has discretionary trading authority on its clients' accounts. This authority includes the determination of which securities to buy or sell, including the timing and amount of securities bought or sold in its clients' accounts. Each client agrees to this authority upon entering into the discretionary investment management agreement with Cultivar, which includes a limited power of attorney granting the Firm trading and fee withdrawal authority.

VOTING CLIENT SECURITIES (ITEM 17)

Cultivar does not vote client securities. Clients receive proxy material directly from their account custodian by either email or U.S. mail. Clients may address questions concerning a proxy matter to Firm personnel.

FINANCIAL INFORMATION (ITEM 18)

Cultivar is not required to provide financial information.