

Part 2A of Form ADV: Firm Brochure



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This Brochure provides information about the qualifications and business practices of Newfound Research LLC. If you have any questions about the contents of this Brochure, please contact us at (617) 531-9773 or jstowell-focus1@thinknewfound.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.

Newfound Research LLC is a registered investment adviser. Additional information about Newfound Research LLC and its registered representatives is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Item 2 - Material Changes

This Form ADV Part 2A brochure has been prepared by Newfound Research LLC (“Newfound”) according to the requirements and rules promulgated by the SEC.

This Brochure, dated May 28, 2024, provides you with a summary of Newfound’s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. We have made some changes since the last annual update of our brochure which was filed on March 14, 2024 (delivered April 14, 2024), that may be considered material, which are:

Item 1:

- Updated to reflect a change in Newfound’s primary office location

Item 4:

- Updated ownership and controlling persons/parties.
- Update assets under management figures.

Item 5:

- Added disclosure related to a material consulting agreement entered into by Newfound and Wood River Capital LLC pertaining to certain Newfound Related ETFs.

Item 10:

- Removed affiliations that were no longer valid.

We will provide an updated version of this brochure as required in the event of changes or new information. We will provide a copy of our current brochure upon request, at any time, without charge. Currently, our brochure may be requested by contacting our Chief Compliance Officer at 617-531-9773 or jstowell-focus1@thinknewfound.com.

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Item 4 - Advisory Business

Background

Description of Advisory Firm

Newfound Research LLC (“Newfound”) is primarily an asset management firm that creates and manages rule-based, quantitative investment strategies and solutions that are delivered via a model or index.

Newfound was founded in August 2008 as a Delaware limited liability company in connection with the licensing of quantitative research and data to a third-party, which became its first client. Newfound’s is owned and controlled by Corey Hoffstein (through his wholly owned company, Newfound Holdings LLC). Mr. Hoffstein owns 94.45% of Newfound.

Newfound Strategies

Newfound’s strategy offerings are generally focused on the concept of return stacking. The Return Stacked® brand is co-owned by Newfound Research LLC and ReSolve Asset Management SEZC (Cayman). Additionally, Newfound has created and continues to manage numerous custom investment solutions where clients that have requested a model or index licensing solution.

Newfound Clients

Newfound’s clients include several ETFs, registered investment advisers, broker-dealers and other asset management firms and financial intermediaries.

Types of Advisory Services and types of Investment Advice

Newfound Advisory Services

Newfound serves as a sponsor and sub-adviser to several ETFs; an index model provider to several ETFs; and a model license provider to registered investment advisers, broker-dealers and other asset management firms and financial intermediaries.

Newfound offers its investment strategies through the following general solutions; collectively referred to as (“Newfound Model Solutions”) or individually referred to as (“Models”):

- (“Index Model”) – Investment models that are Newfound developed for third party ETF sponsors for the management of ETFs and alike.
- (“Allocation Model”) – Investment models that are Newfound developed strategies based on traditional allocation targets or strategy focus with the incorporation of return stacking approach.
- (“Custom Model”) – Investment models that are Newfound developed strategies for a single exclusive client. These models are typically designed for the client based on their specifications.

- (“Newfound Related ETFs”) – Investment models that are Newfound developed for an ETFs where Newfound serves as sub-adviser and sponsor.

Newfound Model Solutions involve Newfound developing and managing Models and updating the sponsors or clients (“Sponsors”) as to changes in the Models which are periodically rebalanced on a pre-determined schedule. The Sponsors are then responsible for trading their client accounts to adjust the holdings to be in line with Newfound’s recommended Model, if they choose to follow Newfound’s recommendations. The Sponsor is responsible for making all investment decisions and handling all suitability determinations, trading, reporting and custody matters.

The Model and the recommendations implicit in the Model are not tailored to the specific needs or circumstances of the Sponsor’s clients. Newfound does not have an advisory relationship with the end-investor under Model licensing arrangements.

Each Model generally includes allocations to Funds, and ETFs, including Newfound Related ETFs, in accordance with applicable target allocations established for the Model. The Models are not limited to allocations to Newfound Related ETFs; however, a Model may be allocated up to 100% with Newfound Related ETFs.

In the event that a Newfound Related ETF is recommended and utilized in a Model, Newfound will receive an additional management fee in accordance with the applicable prospectus.

For certain Newfound Model Solutions, Newfound has historically (and may in the future) be contracted by certain ETF providers to design and market models that utilize the providers’ ETFs. The ETFs are unaffiliated with Newfound and Newfound does not charge a strategist fee to the individuals who invest in the Model. The providers whose ETFs are utilized in these models pay Newfound a fee in exchange for inclusion in these models and associated marketing efforts. See Item 10 below for further information regarding the potential conflict of interest.

Wrap and SMAs

Newfound does not participate in any wrap fee programs or offer separately managed accounts.

Assets under Management (Advisement)

As of September 30, 2024, Newfound was actively managing \$805,171,959 of assets on a discretionary basis. Additionally, the Firm provides advice on approximately \$93,224,351 of assets on a non-discretionary basis.

Item 5 - Fees and Compensation

Newfound Related ETFs

For the Newfound Related ETFs, the advisory fee paid to Newfound is 0.04%. Fees are calculated by the Fund Administrator and paid monthly in arrears to Newfound by the Fund

and accompanied by supporting reports to assist with the calculation thereof. Additionally, Newfound receives additional economic benefits in its role as ETF sponsor.

RSBY- Return Stacked® Bonds & Futures Yield ETF & RSSY - Return Stacked® U.S. Stocks & Futures Yield ETF:

Newfound and the Futures Trading Advisor have entered into a consulting services agreement (the “Consulting Agreement”) with Wood River Capital LLC (“Wood River”). Neither the Trust nor the Adviser is a party to the Consulting Agreement. In exchange for providing certain consulting and support services to the Sub-Adviser and the Futures Trading Advisor with respect to the Funds (RSBY and RSSY), the Sub-Adviser and the Futures Trading Advisor have agreed to pay Wood River a fee based on a percentage of each Fund’s unitary management fee. In consideration of the performance of Wood River’s covenants and obligations set forth in the Consulting Agreement, Newfound and the Futures Trading Advisor shall pay to Wood River, in equal amounts, a monthly payment equal to 20% (10% paid by each party) of the gross revenue generated from the Funds (i.e. 20% of the unitary management fee.

Further, the Consulting Agreement contemplates that, to the extent that Wood River may be, or may be deemed to be, a beneficial owner of shares of the Fund, within the meaning of Sections 13(d) and 16(a) of the Securities Exchange Act of 1934, as amended, as a result of its ownership of the Funds, Wood River’s shares of the Funds, if any, will be voted in accordance with “mirror voting” practices.

Allocation Models

Newfound does not charge a management fee for its Allocation Models. However, Newfound receives indirect fees when the Model utilizes Newfound’s proprietary products.

Index & Custom Models

Fees are structured as a fixed percentage of assets under management; however, vary based on complexity of the Model. In some cases, Newfound does not charge a fee if Newfound Related ETFs are in an Index or Custom Model.

Newfound has, in certain circumstances, instituted “break points” if assets achieve a certain level.

Fees from these arrangements are typically calculated and paid quarterly to Newfound by its Sponsor and accompanied by supporting reports to assist with the calculation thereof.

Compensation

No supervised person is paid compensation in relation to the sale of securities or other investment products relating to Newfound’s investment strategies.

Item 6 - Performance-Based Fees and Side-By-Side Management

Performance-Based Fees:

Newfound does not collect performance-based fees.

Side-by-Side Management:

Newfound does not have performance fee accounts managed side-by-side of other fee structure client accounts.

Item 7 - Types of Clients

Newfound's clients include several ETFs, registered investment advisers, broker-dealers, and other asset management firms and financial intermediaries.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis & Investment Strategies

All Newfound investment strategies are rule-based and quantitative. The rules mostly differ for each investment strategy established by Newfound, and address the objective of the investment strategy, type, universe of securities to buy or sell, the frequency and timing of rebalancing, the percentage or amount of a security to hold, the specific securities to buy or sell, and other such considerations. Newfound's investment strategies rely on Newfound's quantitative models to generate views on securities and apply them in a rule-based, disciplined, and systematic process. Systematic research is a critical part of Newfound's business and Newfound's investment strategy design. Newfound designs, develops, and manages quantitative models, and then utilizes data from these models to power its rule-based investment strategies.

Newfound's strategy offerings are focused on the concept of *return stacking*. The Return Stacked® brand is co-owned by Newfound Research LLC and ReSolve Asset Management SEZC (Cayman). Returned Stacked® solutions allow investors to pursue the same exposure with a smaller allocation. For example, a traditional 50/50 allocation can be replicated with just 50.0% of an investor's capital allocated to a 2x levered 50/50 strategy ("100/100"). By using a capital efficient fund to implement core strategic exposure, investors can free up capital in their portfolio to pursue diversifying alternative assets or strategies. The combination allows investors to "stack" the excess returns of diversifying alternatives assets or strategies on top of their core, strategic asset allocation.

Risks

Risk of Loss:

Any investment in securities involves a risk of loss. Anyone choosing to adopt or track

Newfound's recommendations, model portfolios (indices) or investment strategies should be prepared to bear any loss that might occur. More specific risks associated with Newfound's model portfolios (indices), investment strategies and technology are outlined below.

Model Risk: All quantitative analysis carries a risk that the mathematical model used might be based on one or more incorrect assumptions. For example, Newfound's momentum model is based on the premise that price and volatility are significant factors in determining if momentum exists or is being exhibited. Rapidly changing and unforeseen market dynamics could also lead to a decrease in short term effectiveness of Newfound's models. No assurance can be given that the investments will be successful under all or any market conditions.

Data Risk: Newfound's system relies on the cleanliness and accuracy of the underlying data (such as stock or ETF prices) that are utilized in Newfound's momentum models to generate exposure recommendation signals. If this data is inaccurate, then the data output will be similarly tainted.

Cybersecurity/Hacking Risk: Despite the precautions and security measures Newfound employs, there is a risk that unauthorized outside interference with Newfound's technology, programming or distribution method could impair its functioning.

Public Health Risk: The business operations of companies and economic activity in general could be adversely affected by viruses, epidemics or disease outbreaks. Any prolonged recurrence of adverse public health developments in any country, region or globally could have a material adverse effect on the business operations of companies in which the Newfound may invest or with respect to which the Fund has exposure. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises, including, but not limited to, the rapid and pandemic spread of novel viruses commonly known as SARS, MERS, and COVID-19 (Coronavirus). Such health crises and other unrest could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays, shutdowns, supply chain disruptions, travel restrictions, work stoppages, quarantines, and social isolation, and other disruptions to important global, local and regional supply chains affected, in each case, with potential corresponding results on the operating performance of the Fund and the Investments. Furthermore, any such health crises and resulting illness may mean that key personnel may be unavailable for a period of time. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and reduce the availability and sourcing of potential investment opportunities, reduce the value of investments and the ability to sell investments at attractive prices or at all, and increase the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections.

Quantitative Risk: Unforeseen market dynamics could lead to a decrease in the effectiveness of Newfound's proprietary quantitative models.

Macroeconomic Risk: Unusual events, such as those resulting from shifts in geo-political,

systematic, economic, or social conditions may result in abrupt changes to a security's price, which could upset the model's ability to make accurate exposure recommendations.

Operational Risk: Newfound has developed systems and procedures to control and manage operational risk, including with respect to cybersecurity matters. Operational risks may cause Newfound to suffer financial loss; the disruption of its business; liability to clients or third parties; regulatory intervention; or reputational damage. Newfound relies heavily on its intellectual property, including its momentum models. In addition, several of Newfound's investment strategies with its "partner" firms rely on inputs from the "partner" firm, and any failure of such other managers to deliver their contributions towards the investment strategies could affect the performance of the investment strategy.

Trading Decisions Based on Quantitative and Other Analysis: Newfound's investment recommendations are based on quantitative signals, other analyses and the established rules for the particular investment strategy. Any factor that would lessen the prospect of major trends occurring in the future may reduce the prospect that a particular trading method or strategy will be profitable in the future. No assurance can be given that Newfound's investment strategies will be successful under all or any market conditions.

Investment Strategy Risk: Newfound's investment strategies are unlikely to be successful unless the assumptions underlying the models used to implement investment strategies, and the established rules of Newfound's investment strategies are and remain realistic and relevant in the future. If such assumptions are inaccurate, or become inaccurate and are not promptly adjusted, it is unlikely that reliable signals will be generated. If, and to the extent, that the models and investment strategies do not reflect correct assumptions, Newfound will continue to test, evaluate and create new models.

Crowding/Convergence: There is significant competition among quantitatively focused managers, and Newfound's ability to deliver returns that behave and perform as expected is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that Newfound is not able to develop sufficiently differentiated models, the investors' investment objectives may not be met, irrespective of whether the investment strategies are successful in an absolute sense.

Risk of Programming and Modeling Errors: Although Newfound seeks to hire skilled individuals in its investment strategies group, and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product, raises the chances that the finished model may contain an error; one or more of which errors could adversely affect the performance of an investment strategy.

Custom Strategies/Backtesting Risks: Newfound provides custom investment strategies to its "partners" with "collaborative" investment strategies, which are by definition new, and therefore initially lack a live track record. Newfound also creates new "direct" investment strategies, which also initially lack a live track record. Backtested strategies are subject to several risks which are described in Newfound's 2012 whitepaper, "*Backtesting with Integrity*", which is available from Newfound upon request.

Investment Management Risk: Newfound's reliance on its strategy and judgments about the attractiveness, value and potential appreciation of particular securities and the tactical allocation among Newfound's investment strategies may prove to be incorrect and may not produce the desired results.

Market Risk: Overall equity and fixed income securities market risks affect the value of the investment strategies. Factors such as domestic economic growth and market conditions, interest rate levels, pandemic and political events affect the securities markets.

Currency Risk: Certain Newfound strategies may invest in securities that trade in, and receive revenues in, foreign currencies, and therefore are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. As a result, the investments in foreign currency denominated securities may reduce the investment strategy's returns.

ETF and Mutual Funds Risk: ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of the Newfound investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees (both at the Newfound investment strategy level and at the ETF level when the investment strategy or the fund invests in ETFs). ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETF Risk: ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always occur. Furthermore, ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the investors. As a result, the cost of investing in the Newfound investment strategies may be higher than the cost of investing directly in ETFs and also may be higher than other investment strategies that invest directly in securities. ETFs are subject to specific risks, depending on the nature of the ETF.

ETN Risk: Certain Newfound strategies may invest in exchange-traded notes (ETNs). Similar to ETFs, owning an ETN generally reflects the risks of owning the assets that comprise the underlying market benchmark or strategy that the ETN is designed to reflect. ETNs also are subject to issuer and fixed-income risk.

Fixed Income Risk: Certain Newfound strategies may invest in, and/or have exposure to the risks of, fixed income securities, directly or through ETFs. The credit quality rating of

securities may be lowered if an issuer's financial condition deteriorates, and issuers may default on their interest and or principal payments. Typically, a rise in interest rates causes a decline in the value of fixed income securities. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates, which in turn may result in a decline in the value of the bond investments held by certain of the investment strategies. As a result, for the present, interest rate risk may be heightened.

Foreign Investment Risk: Certain Newfound strategies may invest in securities with exposure to foreign investments. Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

Junk Bond Risk: Certain Newfound strategies may invest in high yield securities (junk bonds), which may be subject to greater levels of interest rate, liquidity and credit risks than funds that do not invest in such securities.

Emerging Market Risk: Certain Newfound strategies may invest in securities with exposure to emerging market countries. Emerging market countries may have relatively unstable governments, weaker economies, and less developed legal systems with fewer security holder rights. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

Small and Medium Capitalization Stock Risk: Certain Newfound strategies may invest in smaller or medium capitalization stocks or ETFs that hold securities in smaller or medium capitalization companies. The price of small or medium capitalization company stocks may be subject to more abrupt or erratic market movements than larger, more established companies or the market averages in general.

Turnover Risk: Tactical investment strategies tend to have higher portfolio turnover than strategic or passive investment strategies. A higher portfolio turnover will result in higher transactional and brokerage costs and may result in higher taxes when an investor's investments are held in a taxable account.

Liquidity Risk: Certain asset classes may become difficult to purchase or sell during times of market stress. This may prevent an investment strategy from selling a security at an advantageous time or price, possibly preventing the strategy from achieving its objectives.

Derivatives Risk: Certain Newfound strategies may invest in options and other derivatives instruments. Loss may result from the Funds' investments in options and other derivative instruments. These instruments may be illiquid, difficult to value and leveraged so that small changes may produce disproportionate losses to the Funds. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Losses from investments in derivatives can result from a lack of correlation between the value of those derivatives and the value of the portfolio assets (if any) being hedged. In addition, there is a risk that the performance of the derivatives or other

instruments used by Newfound to replicate the performance of a particular asset class may not accurately track the performance of that asset class. Derivatives are also subject to risks arising from margin requirements. There is also risk of loss if Newfound is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices.

Leverage Risk: Certain Newfound strategies employ leveraged investment techniques. Use of leverage can magnify the effects of changes in the value of the Fund and make them more volatile. The leveraged investment techniques that the Fund may employ could cause investors in the Fund to lose more money in adverse environments.

Futures Risk: Certain Newfound strategies may invest in futures contracts. Futures contract positions may not provide an effective hedge because changes in futures contract prices may not track those of the securities they are intended to hedge. Futures create leverage, which can magnify the Funds' share price and which can have a significant impact on the Funds' performance. Futures are also subject to credit risk (the counterparty may default) and liquidity risk (the Funds may not be able to sell the security or otherwise exit the contract in a timely manner).

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to Newfound's clients', or prospective clients', evaluation of Newfound's advisory business or the integrity of its management.

As an investment adviser registered with the Securities and Exchange Commission, Newfound from time to time receives requests for information from various regulatory agencies, self-regulatory organizations and securities exchanges. We have voluntarily assisted and responded to such agencies, organizations and exchanges with those requests. Investment advisers registered with the SEC are required to disclose certain regulatory, disciplinary and legal matters pursuant to Part 1A, Item 11 of Form ADV. Further, investment advisers are required to disclose in their brochures all material facts regarding any legal or disciplinary events that are material to a client's or prospective client's evaluation of their advisory business or the integrity of their management. Investment advisers are obligated to update responses promptly for changes.

We answered each question in Part 1A, Item 11 of Form ADV with "No" and state in this Brochure that there are no legal or disciplinary events that are material to Newfound's client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

For certain Newfound Model Solutions, Newfound has been (and may in the future) contracted by certain ETF providers to design and market models that utilize the providers' ETFs. The ETFs are unaffiliated with Newfound and Newfound does not charge a strategist fee to the individuals who invest in the model portfolios. The providers whose ETFs are

utilized in these models pay Newfound a fee in exchange for inclusion in these models and associated marketing efforts. There is a potential conflict because the ETFs utilized by Newfound in these customized models predominantly contain ETFs of the providers who pay Newfound. Additionally, each ETF provider may expect that a portion of the total assets in the model portfolios be allocated to their ETFs. However, in all cases Newfound has the contractual right at any time, in its sole discretion, to substitute any or all of the ETFs or mutual funds utilized within the customized models. To mitigate the conflicts, Newfound requires that all ETFs or mutual funds meet the model program's investment objectives and risk budgeting methodology. Please note, this program is limited to certain third-party platforms and is separate from Newfound's other services described herein.

In certain Models, Newfound utilizes Newfound Related ETFs, in a Model. In these cases, Newfound will receive an additional management fee in accordance with the applicable prospectus. There is a potential conflict because the proprietary ETFs utilized by Newfound result in additional management fees for Newfound. To mitigate the conflict, Newfound requires that all ETFs meet the model program's investment objectives and risk budgeting methodology.

Joseph F. Stowell III serves as Chief Compliance Officer of Newfound. Mr. Stowell is a Managing Member of Ally Compliance Partners LLC, which provides outsourced CCO services to other registered advisers. He has over 25 years of compliance experience in the investment management industry, previously serving as Chief Compliance Officer since 2005. There is a potential for a conflict of interest with Mr. Stowell providing CCO services to numerous advisers at the same time. It is important to note Mr. Stowell is supported by a team of compliance professionals and as such will not serve as CCO for more relationships than they can reasonably manage. Additionally, Mr. Stowell reports all his outside business to his clients and is bound by each adviser's Code of Ethics.

Newfound does not believe these relationships present any material conflict of interests to its clients.

Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Newfound has adopted a code of ethics pursuant to SEC rule 204A-1. A copy of the code will be provided to clients or prospective clients upon request.

Newfound's Code of Ethics, among other things, requires that supervised persons:

- Adhere to the highest standards of fiduciary duties in all matters relating to Newfound's clients;
- Always place client interests above their own;
- Perform their duties in accordance with all applicable legal and ethical standards;
- Fully disclose any conflict of interest material to clients;
- Refrain from the use of material non-public information in making or formulating recommendations;
- Provide written acknowledgement of receipt of the code and any amendments;
- Report personal securities holdings and transactions periodically to the Chief

- Compliance Officer; and
- Subject to certain exceptions, obtain prior approval before supervised persons directly or indirectly acquire beneficial ownership in any security including but not limited to in an initial public offering, in a limited or private offering,

Supervised persons are required to report any violations of the Code of Ethics to Newfound's Chief Compliance Officer.

Newfound and members of Newfound's management team have invested in certain of Newfound's investment strategies and advised mutual funds. Employees may buy or sell the same securities that are recommended by Newfound or securities in which clients are invested.

At times, Newfound's momentum models and rules-based investment strategies may recommend to clients the purchase or sale of securities that are owned by Newfound or its personnel.

Newfound employs compliance procedures, including the pre-clearing of personal transactions by supervised persons, to mitigate the risk of conflicts of interest that may exist as a result of Newfound or Newfound's supervised persons owning or transacting in securities held or invested in by Newfound's investment strategies and/or advised mutual funds.

Item 12 - Brokerage Practices

Newfound does not have discretionary trading for any of its Models. Newfound provides model updates or recommends trades that are at the discretion of the client or adviser. The client or the adviser are granted the power of attorney to execute investment decisions in each of the client accounts and shall be responsible for executing any orders to purchase, sell or exchange investments in the client accounts. The brokerage practices employed by each adviser shall be reviewed by Newfound periodically through ongoing due diligence.

Item 13 - Review of Accounts

Sub-Adviser to the ETFs

Newfound serves as sub-adviser and sponsor to each of the Newfound Related ETFs. Newfound provides regular quarterly reports to the ETF board and meets with the ETF board on a quarterly basis. Newfound will meet with the ETF board and provide reports more frequently than quarterly if the Adviser or the ETF Board believes it is appropriate to do so.

Newfound Model Solutions

The Investment Team, consisting of Newfound personnel, including senior research personnel and research analysts, is responsible for periodically reviewing the Model Portfolios and providing updates. Newfound provides periodic reports regarding the performance of the Model Portfolios, including to the Third-Party Advisers and/or Platform Providers who have contracted with Newfound to receive the Model Portfolios directly from Newfound.

Newfound reviews daily, weekly, and monthly data and recommendations to determine if its models are performing in a manner consistent with its expectations.

Item 14 - Client Referrals and Other Compensation

Newfound does not currently engage third-party solicitors to bring clients to Newfound.

Economic Benefits

It is Newfound's policy not to accept or allow its related persons to accept any material form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services it provides to its clients.

Item 15 - Custody

Newfound does not currently have any separately managed accounts and does not act as a custodian for any client assets.

Item 16 - Investment Discretion

For licensed model portfolios (indices), other third-party platform arrangements, and Newfound's relationships with its "partner" clients, Newfound does not make any investment decisions or exercise investment discretion. In these situations, Newfound provides data and investment strategy recommendations to its clients. Ultimately, investment decisions are made by these clients (who typically serve as the investment strategy "sponsors" or ETF advisor).

For Newfound Related ETFs, Newfound is responsible for making investment decisions and exercising investment discretion. In these situations, Newfound provides specific trade recommendations to the ETF adviser, whom has trading discretion of the ETF.

Item 17 - Voting Client Securities

Newfound does not have voting authority for any of its Client Accounts as the responsibility lies with the advisers or clients.

Item 18 - Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Newfound has no such financial circumstances to report.

Newfound has not been the subject of a bankruptcy petition at any time during the past ten years.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.