

## **Form ADV Part 2A Disclosure Brochure**

### **Item 1 – Cover Page**



**265 Young Street  
Fairhope, Alabama 36532**

**(251) 517-7198**

**[www.aptuscapitaladvisors.com](http://www.aptuscapitaladvisors.com)**

**December 11, 2024**

This Brochure provides information about the qualifications and business practices of Aptus Capital Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at 1- 251-517-7198 or [info@aptuscapitaladvisors.com](mailto:info@aptuscapitaladvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Aptus Capital Advisors LLC is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration does not imply a certain level of skill or training. Additional information about Aptus Capital Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) CRD# 167626.

## **Item 2 - Material Changes**

This Brochure dated December 11, 2024, replaces our last amendment dated March 27, 2024.

The following information reflects only material updates made to our Brochure since our last amendment:

Item – 4 has been updated for our 09/30/2024 values, to include our new Aptus Large Cap Upside ETF, to update the title for the Aptus Collared Income Opportunity ETF, and to revise market capitalization descriptions for Aptus Large Cap Enhanced ETF and Opus Small Cap Value Plus ETF.

Item – 5 has been updated to disclose the fee range for the new Aptus Large Cap Upside ETF and update the title for the Aptus Collared Income Opportunity ETF.

Item – 8 has been updated to describe our new Aptus Large Cap Upside ETF, and to revise market capitalization descriptions for Aptus Large Cap Enhanced ETF and Opus Small Cap Value Plus ETF, methodology and updated risks for Aptus Large Cap Upside ETF in line with current prospectuses.

Our Brochure may be requested by contacting Brett Wickmann at (251) 517-7198 or [bwickmann@aptuscapitaladvisors.com](mailto:bwickmann@aptuscapitaladvisors.com). Our Brochure is also available on our web site [www.aptuscapitaladvisors.com](http://www.aptuscapitaladvisors.com), at no charge.

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## ***Item 4 - Advisory Business***

### General Information

Aptus Capital Advisors LLC ("ACA") was formed in 2013 and provides innovative investment management services that include Behavioral Finance, Model Portfolios and Sub-Advisory Services, and Exchange Traded Funds.

John David Gardner is the majority owner of ACA. Please see ***Brochure Supplements***, at the end of this brochure for more information on the Managing Principals of ACA.

As of September 30, 2024 ACA managed approximately \$7,941,974,942 on a discretionary basis, and \$607,334,779 on a non-discretionary basis.

## **SERVICES PROVIDED**

### Portfolio Management

ACA provides portfolio management services employing its specialized investment strategies, either in isolation or in conjunction with asset allocation strategies. Exposure to these strategies is normally achieved through allocating client funds to Exchange Traded Funds managed by ACA (described below). In addition to collecting a management fee for traditional portfolio management services, ACA also collects a management fee as advisor to the Aptus ETFs.

### **Traditional Portfolio Management**

ACA also offers *Traditional Portfolio Management* services. Such services are tailored to the overall investment needs of a client instead of a segment of the investment portfolio. Each portfolio is tailored to the client's individual goals, risk tolerance and investment horizon.

ACA spends time with clients seeking *Traditional Portfolio Management* services, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, ACA generally develops:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

ACA gathers information and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by ACA based on updates to the client's financial or other circumstances. Accounts are generally driven by model portfolio allocations and reviewed quarterly to monitor alignment with the Investment Plan.

ACA's *Specialized Investment Strategies* and *Traditional Portfolio Management* services are provided on a discretionary basis. In some instances, the client will hold discretion over their account and execute trades on their own. As a discretionary investment adviser, ACA will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on ACA in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement

of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of ACA.

### Financial Planning

In some cases, ACA will provide financial planning services to clients in conjunction with Portfolio Management services. ACA's financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client's investment plan.

### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. ACA will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, ACA will be considered a fiduciary under ERISA. Also, to the extent that the Plan Fiduciaries retain ACA to act as an investment manager within the meaning of ERISA § 3(38), ACA will provide discretionary investment management services to the Plan. With respect to any account for which ACA meets the definition of a fiduciary under Department of Labor rules, ACA acknowledges that both ACA and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between ACA and Client.

### Fiduciary Consulting Services

- *Investment Selection Services*  
ACA will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Non-Discretionary Investment Advice*  
ACA provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding asset classes and investments.
- *Investment Monitoring*  
ACA will assist in monitoring the plan's investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and ACA will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

## Fiduciary Management Services

- *Discretionary Management Services*

When retained as an investment manager within the meaning of ERISA § 3(38), ACA provides continuous and ongoing supervision over the designated retirement plan assets. ACA will actively monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, ACA will have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- *Discretionary Investment Selection Services*

ACA will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. ACA will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

- *Investment Management via Model Portfolios.*

ACA will provide discretionary management of Model Portfolios among which the participants may choose to invest as Plan options. Plan Participants will also have the option of investing only in options that do not include Model Portfolios (i.e., the Plan Participants may elect to invest in one or more of the mutual funds or exchange traded fund options made available in the Plan and choose not to invest in the Model Portfolios at all).

## Non-Fiduciary Services

- *Participant Education*

ACA will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant and individual recommendations will not be provided unless a Plan Participant separately engages ACA for such services. Plan Participants are responsible for implementing transactions in their own accounts.

- *Participant Enrollment*

ACA will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

## Aptus Exchange Traded Funds

### Aptus Drawdown Managed Equity ETF (Ticker: ADME)

ACA serves as the investment advisor to the Aptus Drawdown Managed Equity ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its objective principally by investing in a portfolio of U.S.-listed equity securities, while limiting downside risk by purchasing exchange-listed put options on one or more of such equity securities or on broad-based indexes or ETFs that track the performance of the U.S. equity market. Under normal circumstances, at least 80% of the Fund’s net assets (plus borrowings for investment purposes) will be invested in equity securities. Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should

carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

**Aptus Collared Investment Opportunity ETF (Ticker: ACIO)**

ACA serves as the investment advisor to the Aptus Collared Investment Opportunity ETF (the “Fund”). The Fund is an actively-managed exchange-traded fund (“ETF”) that seeks to achieve its investment objective principally by investing in a portfolio of U.S.-listed equity securities of any market capitalization and buying put options or an options collar (i.e., a mix of written (sold) call options and long (bought) put options) on the same underlying equity securities, U.S. Equity ETF or on an index tracking a portfolio of U.S. equity securities (a “U.S. Equity Index”). The U.S. Equity Index, U.S. equity ETF, and the underlying equity securities may be of any market capitalization. The equity securities and options held by the Fund must be listed on a U.S.-exchange, and the equity securities may include common stocks of U.S. companies, American Depositary Receipts (“ADRs”) (i.e., receipts evidencing ownership of foreign equity securities), and real estate investment trusts (“REITs”). The Fund will typically limit investments in ADRs to approximately 20% of the Fund’s net assets. Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for information about the investment strategy and additional disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

**Aptus Defined Risk ETF (Ticker: DRSK)**

ACA serves as the investment advisor to the Aptus Defined Risk ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its objective through a hybrid fixed income and equity strategy. The Fund typically invests approximately 75% to 95% of its assets to obtain exposure to investment-grade corporate bonds (the “Fixed Income Strategy”) and invests the remainder of its assets to obtain exposure to U.S. stocks, while limiting downside risk (the “Equity Strategy”). Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

**Aptus International Enhanced Yield ETF (Ticker: IDUB)**

ACA serves as the investment advisor to the Aptus International Enhanced Yield ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its objective through a hybrid equity and equity linked note (“ELN”) strategy. The Fund invests primarily in a portfolio of other ETFs that invest in equity securities of non-U.S. (international) companies in developed and emerging markets throughout the world (the “Equity Strategy”) and invests the remainder of its assets in ELNs to generate income (the “ELN Strategy”). The Fund may also invest in depositary receipts representing individual equity securities of non-U.S. companies of any size, although such depositary receipts will generally comprise less than 20% of the Fund’s net assets. Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

**Aptus Enhanced Yield ETF (Ticker: JUCY)**

ACA serves as the investment advisor to the Aptus Enhanced Yield ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its investment objectives through a hybrid fixed income and equity-linked note strategy. The Fund invests primarily in U.S. Treasury Bills, U.S. Treasury

Notes, and the securities of U.S. government-sponsored entities (“GSEs”) (the “Fixed Income Strategy”) and invests the remainder of its assets in Equity-Linked Notes (“ELNs”) (the “ELN Strategy”). Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

#### Aptus Large Cap Enhanced Yield ETF (Ticker: DUBS)

ACA serves as the investment advisor to the Aptus Large Cap Enhanced Yield ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its investment objective through a hybrid equity and equity-linked note (“ELN”) strategy. The Fund invests primarily in U.S.-listed large cap equity securities (the “Equity Strategy”) and invests the remainder of its assets in ELNs to generate income (the “ELN Strategy”). The Fund considers a large cap company to be one with a market capitalization that, at the time of purchase, is within the capitalization range of the S&P 500 Index. As of July 31, 2024, the market capitalization range represented by companies in the S&P 500 Index was approximately \$6.95 billion to \$3.4 trillion. Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and conditions applicable for investment.

#### Opus Small Cap Value Plus ETF (Ticker: OSCV)

ACA serves as the investment adviser to the Opus Small Cap Value Plus ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) that invests under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small-capitalization U.S. companies. The Fund defines small capitalization companies as those that, at the time of investment, fall within the lowest 15% of the total U.S. equity market capitalization (excluding, for purposes of this calculation, companies with market capitalizations of less than \$10 million), as calculated annually. As of April 30, 2024, there were approximately 3,985 small-capitalization companies, and those companies had market capitalizations ranging up to approximately \$18.14 billion. The Fund’s equity securities primarily include common stocks, real estate investment trusts (“REITs”), and American Depositary Receipts (“ADRs”) representing the stock of a foreign company. The Fund will generally limit its investments in ADRs to 20% of its total assets. The Fund may invest in securities offered in an initial public offering (“IPO”) or in companies that have recently completed an IPO. Please see the Fund’s Prospectus and Statement of Additional Information (“SAI”) for additional information about the investment strategy and disclosures relating to the Fund. Prior to making any investment in the Fund, clients should carefully review these documents for comprehensive understanding of the terms and condition applicable for investment.

#### Aptus Large Cap Upside ETF (Ticker: UPSD)

ACA serves as the investment advisor to the Aptus Large Cap Upside ETF (the “Fund”). The Fund is an actively managed exchange-traded fund (“ETF”) to generate total returns that surpass those of the S&P 500 Index (the “Index”) with the objective of capturing more than 100% of the market during upward trends and less than 100% of the market during downward trends. Under normal circumstances, at least 80% of the Fund’s net assets (plus borrowings for investment purposes) will be invested in equity securities of large cap companies. The Fund considers a large cap company to be a company with a market capitalization that, at the time of purchase, is within the capitalization range of the S&P 500 Index. The Fund seeks to achieve its objective by investing in individual stocks, equity and index put options and/or put spreads, equity futures, Treasury Bills, and total returns swaps that implement a systematic trading strategy (STS). The Fund will own equity securities that, in the Adviser’s view, score well through quality, value, and growth screens,



which are constructed using a weighting scheme designed to reduce overall portfolio volatility. The Adviser may replace a security if it believes another security offers a better return potential, with a preference for low portfolio turnover.

#### Aptus Model Portfolio Service (The Impact Series)– Subscription Service

ACA provides model portfolios to other Registered Investment Advisers and Broker- Dealers. This model portfolio service involves ACA creating, managing, and maintaining investment models and updating Subscribers as adjustments occur within the models. Initial and ongoing delivery of the models to subscribers occurs through direct communication with advisers or through delivery of the models to model manager platforms (“Third Party Platforms”).

If Subscribers choose to follow the Impact Series Models, they are responsible to trade client accounts to bring the portfolios in line with The Impact Series Model Portfolios. Subscribers to the Models are responsible for handling all matters pertaining to their client accounts, including suitability, trading, reporting, and custody. The Impact Series Models are not customized to any individual client of the subscriber and Aptus has no advisory relationship with any “end-client” under this arrangement.

#### Sub-Advisory Services

ACA acts as a sub-advisor to Advisors that select ACA for its asset management and back office services. In these instances, an Advisor selects ACA to provide these services for its clients, and for this service the Advisor either shares a portion of their stated fees with ACA, or the Advisor discloses a separate fee for ACA. The allocation of a total stated advisory fee, or the separate fee charged by ACA, is disclosed in the Advisor’s brochure. The compensation for ACA depends on the negotiated agreement between the Advisor and ACA. ACA’s fee may be lower when acting as a sub-advisor for an Advisor than if a client worked directly with ACA because the services ACA provides as a sub- advisor are limited in scope and do not include the entire realm of advisory services as provided to direct clients of ACA.

#### Consulting Services

ACA acts as a consultant to Advisors that select ACA for OCIO support services. Aptus as consultant, provides research, investment recommendations and ongoing monitoring of investment strategies. Aptus has no discretion over client investment portfolios, does not have access to any non-public personal information about clients, and does not vote on the Investment Committee. In these instances, an Advisor selects ACA to provide these services and for this service the Advisor is charged a separate fee for ACA. The consulting services are disclosed in the Advisor’s brochure. The compensation for ACA depends on the negotiated agreement between the Advisor and ACA. ACA’s fee varies based on the scope and complexity of the advisors services being supported.

#### Advisor Agent Services

ACA acts as an Advisor agent to Advisors that select ACA for trade and back office support or execution. Aptus as Advisor agent provides trade execution and billing services per instruction from the advisor. Aptus has no discretion over client investment portfolios and is directed via Advisor instructions. In these instances, an Advisor selects ACA to provide these services and for this service the Advisor is charged a separate fee for ACA. The Advisory Agent services are disclosed in the Advisor’s brochure. The compensation for ACA depends on the negotiated agreement between the Advisor and ACA. ACA’s fee varies based on the scope and complexity of the advisors services being supported.

### Private Label ETF Advisor

ACA provides private-label ETF services and has obtained active and passive exemptive relief from the Securities and Exchange Commission under the Investment Company Act of 1940 to assist investment managers and independent advisors in bringing investment strategies to market as Exchange Traded Funds. In these arrangements ACA serves as investment adviser to the Exchange Traded Fund and another firm serves as subadvisor to execute the investment strategy. Compensation for ACA for such services may come from a flat fee, a shared percentage of the stated management fee of the Exchange Traded Fund, or a combination of the two.

### Fund Specialist Platform Services

ACA provides asset management and investment services through its investment management platform (the “**Platform**”). Among other things, the Platform enables independent investment advisers (each, a “**User**”) to outsource chief investment officer services to manage their client accounts. The Platform enables Users to create investment proposals, build and implement model portfolios, and create content. The Platform also enables Users to leverage ACA to trade client accounts according to the models and proposals that the User has created or adopted.

The specific services available to any User are determined by the agreement that they have entered with ACA.

ACA receives compensation from one or more investment managers that offer their investment strategies or products on the Platform (each, a “**Fund Specialist**”). The financial services industry often refers to these revenue sharing payments as “shelf space” payments because the payments compensate a financial intermediary (in this case ACA) for including strategies, funds, or investment managers on its Platform.

Fund Specialists may pay a Platform fee based on: (a) a percentage of the amount of the assets that the Fund Specialist is providing services to on the Platform, or (b) a percentage of revenue generated by the Fund Specialist through its services attributable to the Platform from all sources, including but not limited to any underlying investment company management fees.

ACA does not require every Fund Specialist on the Platform to pay a Platform fee and ACA may agree to negotiate different compensation structures than those set forth above. As part of its services on the Platform, ACA may recommend Fund Specialists or include them in investment proposals or model portfolios.

These agreements that ACA has with Fund Specialists create a conflict of interest as it creates an incentive for ACA to promote and favor Fund Specialists that compensate ACA or that compensate ACA more than other Fund Specialists. ACA seeks to mitigate this conflict of interest by disclosing its existence to clients and prospective clients of the Platform and allowing them to make an informed decision about the materiality of the conflict. ACA also maintains a list of Fund Specialists for which it maintains a shelf space agreement, which is available upon request.

## ***Item 5 - Fees and Compensation***

### General Fee Information

Fees paid to ACA are exclusive of all custodial and transaction costs paid to the client’s custodian, brokers or other third- party consultants. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to ACA are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). The client should review all fees charged by funds, brokers, ACA and others to fully understand the total amount of fees paid by the client for investment and financial- related services.

The client may terminate the Investment Advisory Agreement within five (5) days of signing, without penalty. Thereafter, either ACA or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to ACA from the client will be invoiced or deducted from the client's account prior to termination.

ACA initiates fees at 50 basis points (0.50%) of assets under management for portfolio management services for individual account investors. However, ACA may, at its discretion, make exceptions to its fee arrangements or negotiate fee arrangements where ACA deems it appropriate under the circumstances.

The Management Fee of Client assets shall be calculated and billed at the stated rates monthly or quarterly either in advance or arrears as indicated in Schedule A to the Investment Management Agreement, based upon the total market value of the assets as to which investment advisory services are being rendered on the Effective Date of the Investment Management Agreement and thereafter on the beginning or last trading day of each month or quarter.

With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

#### Aptus Exchange Traded Fund Fees

For serving as the investment adviser to the Aptus Funds, each Fund will pay ACA a management fee at an annual rate stated in the table below, based on the daily average net asset value of the portfolio. Fund investors will also be subject to additional fees and expenses which are more fully explained in respective Fund prospectuses.

Name	Ticker	Management Fee paid to Aptus
Aptus Drawdown Managed Equity ETF	ADME	0.79%
Aptus Collared Investment Opportunity ETF	ACIO	0.79%
Aptus Defined Risk ETF	DRSK	0.69%
Opus Small Cap Value Plus ETF	OSCV	0.79%
Aptus International Enhanced Yield ETF	IDUB	0.39%
Aptus Enhanced Yield ETF	JUCY	0.59%
Aptus Large Cap Enhanced Yield ETF	DUBS	0.39%
Aptus Large Cap Upside ETF	UPSD	0.79%

#### Client Investments - Aptus ETFs

Under normal circumstances and in accordance with the client's established Investment Plan and risk tolerance ACA will recommend investments that include Aptus ETFs. Clients investing in the Funds will be subject to both the Fund's management fees (which are payable to ACA as adviser to the Funds and set forth above) and ACA's portfolio management fees. The receipt of additional compensation from the Funds provides an incentive for ACA to invest client assets in the Funds. This potential conflict of interest is disclosed to clients in this Form ADV and also in the client Investment Management Agreement signed by the client at the outset of a working relationship. The fees charged for portfolio management services, together with fees paid to ACA indirectly through the Funds, may be higher than the fees charged by other investment advisers for similar investment advisory services. Clients may also independently invest in Fund shares through other financial services firms/broker- dealers.

#### ERISA Accounts:

In order to comply with ERISA Prohibited Transaction Exemption 77-4, ACA waives that portion of the fees

otherwise payable to ACA as a portfolio management fee, to the extent that assets are invested in the Fund. ACA is paid an investment advisory fee by the Fund, which includes advisory fees based on assets of retirement participants invested in the Fund. As a result, retirement participants invested in the Fund pay only one advisory fee, based on the underlying investment advisory fees paid by the Fund.

#### Aptus Model Portfolio Service – Subscription Service:

Aptus does not charge an overlay fee for use of the Aptus Model Portfolio Service (The Impact Series) when accessed through a 3<sup>rd</sup> party platform (i.e. Riskalyze, Envestment, TDA). While no overlay fee is charged for the service, Aptus ETFs are included in the model portfolios. In this case, Aptus will receive the normal management fee for those assets invested in the Funds as described in the Fund's prospectus.

Subscribers accessing The Impact Series models through a Third Party Platform may be charged a fee from the platform provider that is separate and distinct from any management fee collected by Aptus for investments in Aptus ETFs.

#### Sub-Advisory Services:

For Advisors that utilize ACA sub-advisory services (whereby ACA acts as a sub-advisor), the advisory fee that is charged by ACA does not include transaction fees charged by the custodian, or charges by funds, including the Aptus Funds. All of ACA's sub-advisory fees are negotiated depending on the size and complexity of the sub-advisory services requested. ACA initiates sub-advisory fees at a flat rate of \$100,000 or a management fee at an annual rate of 0.01% - 0.15% which is again, determined on the complexity of the services requested. Additionally, when circumstances warrant, ACA may also waive their sub-advisory fees entirely.

#### Consulting Services:

For Advisors that utilize ACA consulting services (whereby ACA acts as a OCIO support), the advisory fee that is charged by ACA does not include transaction fees charged by the custodian, or charges by funds, including the Aptus Funds. All of ACA's consulting fees are negotiated depending on the size and complexity of the consulting services requested. ACA initiates consulting fees at a flat rate of \$100,000 which is determined by the complexity of the services requested. Additionally, when circumstances warrant, ACA may also waive their consulting fees entirely.

#### Adviser Agent Services:

For Advisors that utilize ACA Adviser Agent services (whereby ACA acts as a trade and back office support), the advisory fee that is charged by ACA does not include transaction fees charged by the custodian, or charged by funds, including the Aptus Funds. ACA initiates Adviser Agent services at a flat rate of \$100,000 or a management fee at an annual rate of 0.01% - 0.15% which is again, determined on the complexity of the services requested. Additionally, when circumstances warrant, ACA may also waive their Adviser Agent Services fees entirely.

#### Private Label ETF Advisor

Aptus currently serves as investment adviser for a private Label ETF the McElhenny Sheffield Managed Risk ETF ("MSMR" or the "Fund"). All of ACA's Private Label ETF Advisor are negotiated depending on the ETF Advisors operational needs, fund structure, complexity of the fund or terms requested. The Fund pays ACA and McElhenny Sheffield Managed Risk ETF a combined management fee at an annual rate of 0.84%, of which ACA receives 0.20% , based on the daily average net asset value of the portfolio. Fund investors will also be subject to additional fees and expenses which are more fully explained in respective Fund prospectuses. Additionally, when circumstances warrant, ACA may also waive their Private Label ETF Advisor fees entirely.

### Fund Specialist Platform Services:

For Users that utilize ACA Fund Specialist Platform Services (whereby ACA acts as an investment management platform), ACA receives compensation from one or more investment managers that offer their investment strategies or products on the Platform (each, a “**Fund Specialist**”). All of ACA’s Fund Specialist Platform Services are negotiated depending on the scope of Fund Specialist Platform Services utilized or terms requested. Fund Specialists fee is initiated as a Platform Fee equal to 15% of the revenue generated by the Fund Specialist through the Aptus Platform from all sources, including investment company management fees.

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

ACA does not offer performance based fee arrangements.

### ***Item 7 - Types of Clients***

ACA serves individuals, small businesses, trusts, estates, Registered Investment Companies, Platform Fund Specialist Services clients and other Registered Investment Professionals. The minimum portfolio size is \$50,000 under certain circumstances and in its sole discretion, ACA may negotiate such minimum.

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

#### Methods of Analysis

ACA primarily employs equities and ETFs to implement its strategies. Bonds, options, and mutual funds may also be used where ACA feels appropriate.

ETFs and mutual funds are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

In selecting individual stocks, mutual funds, ETFs, and other securities for an account, ACA generally applies a combination of technical and fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Momentum Characteristics;
- Absolute Price Levels;
- Price-to-earnings ratios;
- Growth Metrics;
- Dividend yields;
- Growth rate-to-price earnings ratios;
- Price trends;
- Value Characteristics; and
- Broad Market Valuations.

Both long-term and short-term investments in various combinations over time may be employed for a given client, depending upon the client’s individual circumstances and/or market conditions.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities’ short- term price

fluctuations.

#### Investment Philosophy and Approach

ACA's primary objective is to participate in the market's upside while attempting to avoid major market drawdowns. Devastating drawdowns in securities markets happen more often than anyone would like. The emotional effect of staying invested during those periods can be intolerable for some investors and may lead to irrational decisions driven by fear. For that reason, ACA incorporates an approach using technical and fundamental indicators in an attempt to avoid severe market pull backs and reduce human error in portfolios. Potentially avoiding these situations is desirable and why ACA developed its investment methodology.

#### Investment Strategies

ACA will employ its Aptus Collared Investment Opportunity, Aptus Drawdown Managed Equity, Aptus Defined Risk, Aptus International Enhanced Yield ETF, Aptus Enhanced Yield, and Opus Small Cap Value ETF for the majority of client portfolios (through the use of the respective ETF described in **Item 4 - Advisory Business**). The ETFs are used as the core upon which to build asset allocation strategies depending on individual client needs, risk tolerance, and investment horizon.

#### ***Collared Investment Opportunity Strategy***

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its investment objective principally by investing in a portfolio of U.S.-listed equity securities of any market capitalization and buying put options or an options collar (i.e., a mix of written (sold) call options and long (bought) put options) on the same underlying equity securities, a U.S. equity ETF, or on an index tracking a portfolio of U.S. equity securities (a "U.S. Equity Index"). The U.S. Equity Index, U.S. equity ETF, and the underlying equity securities may be of any market capitalization. The equity securities and options held by the Fund must be listed on a U.S.- exchange, and the equity securities may include common stocks of U.S. companies, American Depositary Receipts ("ADRs") (i.e., receipts evidencing ownership of foreign equity securities), and real estate investment trusts ("REITs"). The Fund will typically limit investments in ADRs to approximately 20% of the Fund's net assets.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), selects the Fund's equity securities based on the Adviser's assessment of the likelihood that the dividends paid by the issuer will increase or remain stable and based on the liquidity of the options available for such security. The Adviser considers factors primarily related to yield, earnings growth, revenue growth, and distribution history in assessing the likelihood that the dividends paid by an issuer will increase or remain stable. No more than 30% of the Fund's net assets will typically be invested in companies in a single sector. The Adviser may replace a security if it believes another security offers a better value proposition, with a bias for low portfolio turnover.

The Fund's options collar strategy typically consists of two components: (i) selling covered call options on up to 100% of the equity securities held by the Fund to generate premium from such options, while (ii) simultaneously reinvesting a portion of such premium to buy put options on the same underlying equity securities, a U.S. equity ETF, or the U.S. Equity Index to "hedge" or mitigate the downside risk associated with owning equity securities. The Fund seeks to generate income from the combination of dividends received from the equity securities held by the Fund and premiums received from the sale of options. Additionally, the Fund may purchase put options or utilize a combination of purchased and written (sold) put options (known as a "spread") on one or more equity securities, a U.S. equity ETF, or a U.S. Equity Index to "hedge" or mitigate the downside risk associated with owning equity securities.

The Fund may write call options on up to 100% of each equity position held in the portfolio and will use a portion of the premium received from writing such call options to purchase put options. Call options written by the Fund will typically have a strike price that is higher than the current price of the reference asset, and put options purchased by the Fund will typically have a strike price that is lower (in some cases, significantly lower) than the current price of the reference asset. Options selected for the Fund will typically expire one week to nine months from their purchase date and will be rolled periodically (e.g., monthly) to continue generating income or to reflect the Adviser's revised outlook on the underlying portfolio security. When an option is rolled, the Adviser simultaneously closes one option contract and opens another. The new contract opened can have a further-dated expiration (i.e., the option would be rolled "out"), higher strike price (i.e., rolled "up"), lower strike price (i.e., rolled "down"), or a combination of both a different expiration and strike.

In addition to the options strategies discussed above, the Fund may utilize a "bull call spread" options strategy. The Fund's bull call spread strategy entails (i) the purchase of at-the-money call options (i.e., call options with a strike price roughly equal to the current price of the underlying asset) on an index or ETF tracking an index representing the U.S. equity market and (ii) writing (selling) out-of-the-money call options (i.e., call options with a strike price higher than the current price of the underlying asset) on the same index or ETF. The bull call spread strategy is intended to profit from moderate increases in the value of the reference asset (up to the strike price of the written call options). The Fund may also purchase call options on the securities held by the Fund to enable the Fund to further benefit from an increase in the value of such securities.

In addition, the Adviser may utilize a combination of purchased and written (sold) put or call options on the Cboe Volatility Index® (the "VIX® Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Fund may use VIX call or put options as a hedge when the market is experiencing a rapid change in volatility, and the Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call and put options at the time of investment.

### ***Drawdown Managed Equity Strategy***

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective principally by investing in a portfolio of U.S.-listed equity securities, while limiting downside risk by purchasing exchange-listed put options on one or more of such equity securities or on broad-based indexes or ETFs that track the performance of the U.S. equity market. Under normal circumstances, at least 80% of the Fund's net assets (plus borrowings for investment purposes) will be invested in equity securities.

The equity component of the Fund's portfolio is comprised of U.S.-listed common stocks of any market capitalization, real estate investment trusts ("REITs"), and American Depositary Receipts ("ADRs"). Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), generally selects the equity securities for the Fund based on an analysis of each company's fundamental and momentum characteristics to try to identify attractive opportunities for growth. The Adviser's proprietary analysis is built from a "yield plus growth" framework, which takes into account fundamental characteristics such as yield, growth, and valuation, along with momentum, to identify attractive securities. Typically, such securities will have either an attractive combination of yield plus growth relative to the overall market and/or strong momentum relative to the overall market.

The Adviser seeks to limit the Fund's exposure to equity market declines primarily by purchasing exchange-listed put options on individual equity securities or on one or more equity indexes or ETFs (each, a "reference asset") that track a portfolio of U.S. equity securities ("Equity Puts"). A put option gives the purchaser the

right to sell shares of the reference asset at a specified price (“strike price”) prior to a specified date (“expiration date”). The purchaser pays a cost (premium) to purchase the put option. In the event the reference asset declines in value below the strike price and the holder exercises its put option, the holder will be entitled to receive the difference between the value of the reference asset and the strike price (which gain is offset by the premium originally paid by the holder), and in the event the reference asset closes above the strike price as of the expiration date, the put option may end up worthless and the holder’s loss is limited to the amount of premium it paid. The Adviser may purchase Equity Puts that are at-the-money, near-the-money, or out-of-the-money (also known as a “tail hedge”), and the Adviser will actively manage the Fund’s Equity Puts as markets move or events occur (e.g., earnings announcements) to roll forward expiration dates or to increase or decrease market exposure. The Adviser generally expects to invest less than 5% of the Fund’s net assets in Equity Puts at the time of investment.

In addition to purchasing Equity Puts, the Adviser may write (sell) covered Equity Puts. A written (sold) put option gives the seller the obligation to buy shares of the reference asset at a strike price until the expiration date. The writer (seller) of the put option receives an amount (premium) for writing (selling) the option. In the event the reference asset declines in value below the strike price and the holder exercises the put option, the writer (seller) of the put option will have to pay the difference between the value of the reference asset and the strike price or deliver the reference asset (which loss is offset by the premium initially received), and in the event the reference asset appreciates in value, the put option may end up worthless and the writer (seller) of the put option retains the premium. The put options written by the Fund are considered “covered” when the Fund owns at least an equivalent number of put options on the same reference asset with the same expiration date and a higher strike price at the time it sells the options or the Fund segregates cash or liquid assets with a value at least equal to the exercise price of the put option.

The Adviser also may purchase or write (sell) covered exchange-listed call options on individual equity securities or on one or more equity indexes or ETFs (each, a “reference asset”) that track a portfolio of U.S. equity securities (“Equity Calls”). A call option gives the purchaser the right to purchase shares of the reference asset at a specified strike price prior to a specified expiration date. The purchaser pays a cost (premium) to purchase the call option. In the event the reference asset appreciates in value, the value of the call option will generally increase, and in the event the reference asset declines in value, the call option may end up worthless and the premium may be lost.

In addition to or in lieu of such Equity Puts or Equity Calls, the Adviser may utilize a combination of purchased and written (sold) put or call options (known as a “spread”) on individual equity securities, one or more equity indexes or ETFs, or the Cboe Volatility Index® (the “VIX® Index”). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Fund may use VIX call options as a hedge when the market is experiencing a rapid change in volatility, and the Adviser generally expects to invest less than 1% of the Fund’s net assets in VIX Index call and put options at the time of investment.

### ***Defined Risk Strategy***

The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its objective through a hybrid fixed income and equity strategy. The Fund typically invests approximately 75% to 95% of its assets to obtain exposure to investment-grade corporate bonds (the “Fixed Income Strategy”) and invests the remainder of its assets to obtain exposure to U.S. stocks, while limiting downside risk (the “Equity Strategy”).

### ***Fixed Income Strategy***

The Fund’s Fixed Income Strategy seeks exposure to U.S. dollar-denominated, investment-grade corporate



bonds of U.S. and nonU.S. issuers with maturities between one and eight years (also known as a “bond ladder”). The Fund will primarily obtain this exposure through investments in ETFs (“Underlying Bond ETFs”) that each track the investment results of an index composed of such bonds maturing in a specified year during that period (e.g., bonds maturing in 2024) (each, a “reference asset”). The Underlying Bond ETFs are generally expected to make monthly distributions of principal and interest received from their underlying holdings, and each Underlying Bond ETF is expected to make a liquidating distribution at the end of the calendar year in which its holdings mature. The Fund generally reinvests the proceeds of such liquidating distributions into the Underlying Bond ETF with the furthest away maturity date in the bond ladder.

While the Fund’s Fixed Income Strategy is expected to obtain exposure to a diversified array of corporate bonds regardless of the size of the Fund, a significant portion of the Underlying Bond ETFs is generally expected to be represented by bonds issued by companies in the financial sector. The Fund will typically rebalance its investments in Underlying Bond ETFs on a quarterly basis. The Adviser may also decide to reallocate assets among the Equity Strategy and Fixed Income Strategy outside of the normal rebalance activity if the Fund’s balance of equity and fixed income exposure has shifted significantly during the quarter.

#### *Equity Strategy*

The Fund’s Equity Strategy seeks exposure to small-, mid-, and large-capitalization U.S. stocks by purchasing exchange-listed call options on individual stocks or depositary receipts (the “Underlying Individual Equities”), on one or more equity indexes, or on one or more other ETFs that principally invest in U.S. equity securities (the “Underlying Equity ETFs”) (each, also, a “reference asset”). A call option gives the purchaser the right to purchase shares of the underlying security at a specified price (“strike price”) prior to a specified date (“expiration date”). The purchaser pays a cost (premium) to purchase the call option. In the event the underlying security appreciates in value, the value of the call option will generally increase, and in the event the underlying security declines in value, the call option may end up worthless and the premium may be lost.

Aptus Capital Advisors, LLC, the Fund’s investment adviser (“Aptus” or the “Adviser”), selects the Underlying Individual Equities based primarily on the Adviser’s proprietary analysis built from a “yield plus growth” framework, which takes into account fundamental characteristics such as yield, growth, valuation, and momentum. Stocks selected as Underlying Individual Equities by the Adviser must also have call options available for purchase that meet the Fund’s minimum liquidity threshold for investibility. The Adviser seeks to select Underlying Individual Equities to diversify exposure across a variety of industries and to maximize the Fund’s equity exposure given the amount allocated to the applicable options, as described below. Underlying Equity ETFs or equity indexes may be selected in lieu of or in addition to Underlying Individual Equities to adjust the balance of the Fund’s exposure across industries or to maintain the Fund’s equity exposure when the Adviser believes they present a better risk profile than Underlying Individual Equities.

The Fund may utilize a combination of purchased and written (sold) call options (known as a “spread”). A written (sold) call option gives the seller the obligation to sell shares of the reference asset at the strike price until the expiration date. The writer (seller) of the call option receives an amount (premium) for writing (selling) the option. In the event the reference asset appreciates above the strike price and the holder exercises the call option, the writer (seller) of the call option will have to pay the difference between the value of the reference asset and the strike price or deliver the reference asset (which loss is offset by the premium initially received), and in the event the reference asset declines in value, the call option may end up worthless and the writer (seller) of the call option retains the premium.

Call options purchased by the Fund typically have a time-to-expiration of one week to six months at the time

of purchase and a strike price at or near the current market price of the applicable reference asset. The Fund will generally turn over its options holdings to rebalance its Equity Strategy investments on a monthly basis, at which time the Fund allocates approximately 0.25% to 1.00% of its net assets to options on each of the Underlying Individual Equities and may allocate up to approximately 5.00% to options on each of the equity indexes, Underlying Equity ETFs, or Underlying Bond ETFs selected. Each time the Fund rebalances its Equity Strategy, the Fund will typically sell the options it holds and purchase new ones as described above. To the extent the Fund sells options tied to one individual stock or ETF and purchases new options tied to the same individual stock or ETF, the rebalance will generally result in the Fund owning options with a later expiration date than the previous set of options. The Adviser will actively manage the Fund's options as markets move or events occur (e.g., earnings announcements) to roll forward expiration dates or to increase or decrease market exposure to attempt to reduce the potential volatility inherent in options where the price of the reference asset is significantly higher or lower than the strike price.

Additionally, the Adviser seeks to limit the Fund's exposure to equity market declines by utilizing a combination of purchased and written (sold) exchange-listed put options (known as a "spread") on Underlying Individual Equities, on one or more equity indexes, on one or more Underlying Equity ETFs, or on one or more Underlying Bond ETFs. A purchased put option gives the purchaser the right to sell shares of the underlying security at a strike price prior to its expiration date. The purchaser of the put option pays a cost (premium) to purchase the put option. In the event the underlying security depreciates in value, the value of the put option will generally increase, and in the event the underlying security appreciates in value, the put option may end up worthless and the premium may be lost. The put options written by the Fund are considered "covered" when the Fund owns at least an equivalent number of put options on the same reference asset with the same expiration date and a higher strike price at the time it sells the options.

Put options purchased by the Fund typically have a time-to-expiration of one week to six months at the time of purchase and a strike price at or near the current market price of the applicable reference asset. Generally, each time the Fund rebalances its Equity Strategy, the Fund allocates approximately 0.25% to 1.50% of its net assets to put options and will sell the options it holds and purchase new ones as described above.

In addition, the Adviser may utilize a combination of purchased and written (sold) put or call options on the Cboe Volatility Index® (the "VIX® Index"). The VIX Index reflects a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index call and put options. The Fund may use VIX call or put options as a hedge when the market is experiencing a rapid change in volatility, and the Adviser generally expects to invest less than 1% of the Fund's net assets in VIX Index call and put options at the time of investment.

Because the premiums for call and put options purchased by the Fund will typically be a fraction of the value of the underlying reference assets, the options enable the Fund to gain greater exposure to the underlying reference assets than the amount invested in such options. Consequently, the Fund seeks to have greater participation in the appreciation (for call options) or depreciation (for put options) of the applicable underlying reference assets than it would have by investing the same amounts directly in such underlying reference assets, while limiting the maximum loss from such options to the premiums paid.

### ***International Enhanced Yield Strategy***

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its objective through a hybrid equity and equity linked note ("ELN") strategy. The Fund invests primarily in a portfolio of other ETFs that invest in equity securities of non-U.S. (international) companies in developed and emerging markets throughout the world (the "Equity Strategy") and invests the remainder of its assets in ELNs to generate income (the "ELN Strategy").

The Fund may also invest in depositary receipts representing individual equity securities of non-U.S. companies of any size, although such depositary receipts will generally comprise less than 20% of the Fund's net assets.

#### *Equity Strategy*

Through its Equity Strategy, under normal circumstances, the Fund invests approximately 80% to 90% of its assets in other ETFs that invest in the equity securities of non-U.S. companies. The Fund may also invest in common stocks and depositary receipts as part of its Equity Strategy.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), generally expects to allocate approximately 45–80% of the Fund's exposure to developed markets and approximately 10–45% to emerging markets. Aptus selects the ETFs in which the Fund invests based on a variety of characteristics, including the particular geographic exposure provided by the portfolio of securities held by the ETF, the cost to invest in and trade the ETF's shares, and the size of the ETF, among others. Aptus selects the individual depositary receipts in which the Fund invests based on a company's fundamental and momentum characteristics to try to identify attractive opportunities for growth.

#### *ELN Strategy*

In order to generate income, the Fund typically invests approximately 10% to 20% of its net assets in ELNs. ELNs are investment products structured as notes that are issued by counterparties, including banks, broker-dealers or their affiliates, and designed to offer a return linked to the underlying instruments within the ELN.

ELNs in which the Fund invests are derivative instruments that are specially designed to combine the economic characteristics of a non-U.S. equity ETF, non-U.S. equity index, or individual non-U.S. equity securities (the "Underlying Instruments") and option spreads in a single note form. Option spreads consist of (i) writing (selling) call options on the Underlying Instruments, while (ii) simultaneously reinvesting a portion of such premium to buy call options on the Underlying Instrument.

The ELNs provide recurring cash flow to the Fund based on the premiums from the call options the ELNs write and are an important source of the Fund's return. Generally, when purchasing an ELN, the Fund pays the counterparty the current value of the ELN's Underlying Instruments plus the cost to structure the ELN. Upon the maturity of the note, the Fund generally receives the par value of the note, plus interest, plus or minus a return based on the appreciation or depreciation of the Underlying Instruments.

The Fund invests in ELNs to enhance the Fund's yield (i.e., for income generation from premiums on options sold and capital appreciation potential). When the Fund invests in ELNs, the Fund receives cash but this limits the Fund's opportunity to profit from an increase in the market value of the instrument because of the limits relating to the call options written within the particular ELN.

The ELNs in which the Fund invests generate interest, which is paid following the maturity of the ELN. The ELNs in which the Fund invests are highly customizable, individually negotiated, bilateral instruments that typically have a maturity between one week and six months. The Fund caps its exposure to ELNs with a single counterparty at 5% of the Fund's assets. The ELNs in which the Fund invests may not be sold to third parties. In order to redeem an ELN, the Adviser would sell back the ELN to the issuing counterparty and unwind the components of the ELN (i.e., the Underlying Instruments and the options spread).

In selecting ELNs for the Fund, the Adviser considers the potential income the Underlying Instruments will

generate and the potential gains or losses that could be experienced by the Underlying Instruments, as well as the liquidity of the Underlying Instruments and the maturity of the ELN.

### ***Enhanced Yield Strategy***

The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its investment objectives through a hybrid fixed income and equity-linked note strategy. The Fund invests primarily in U.S. Treasury Bills, U.S. Treasury Notes, and the securities of U.S. government-sponsored entities (“GSEs”) (the “Fixed Income Strategy”) and invests the remainder of its assets in Equity-Linked Notes (“ELNs”) (the “ELN Strategy”).

### ***Fixed Income Strategy***

Through its Fixed Income Strategy, under normal market conditions, the Fund invests approximately 80% to 90% of its assets in U.S. government securities, including U.S. Treasury securities, as well as securities of GSEs.

The Fund typically invests in U.S. Treasury Bills or U.S. Treasury Notes with maturities lower in duration but between about one month and twenty years (also known as a “bond ladder”). Duration is a measure of a security’s price sensitivity to changes in yields or interest rates and a lower duration indicates less sensitivity to interest rates. For example, the price of a security with a three-year duration would be expected to drop by approximately 3% in response to a 1% increase in interest rates. The Fund will generally reinvest the principal and interest amounts in corresponding Treasury bills, notes, or bonds, respectively, that have the furthest away maturity date in the bond ladder.

The Fund also invests in securities issued by GSEs, such as the Federal National Mortgage Association (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”), Federal Home Loan Banks (“FHLBanks”), and Federal Agricultural Mortgage Corporation (“Farmer Mac”).

### ***ELN Strategy***

In order to generate income, the Fund typically invests approximately 10% to 20% of its net assets in ELNs. ELNs are investment products structured as notes that are issued by counterparties, including banks, broker-dealers or their affiliates, and designed to offer a return linked to the underlying instruments within the ELN.

ELNs in which the Fund invests are derivative instruments that are specially designed to combine the economic characteristics of a U.S. equity index or individual U.S. equity securities (the “Underlying Instruments”) (e.g., the S&P 500) and option contracts or option spreads in a single note form. The ELNs provide recurring cash flow to the Fund based on the premiums from the call options the ELNs write and are an important source of the Fund’s return. Generally, when purchasing an ELN, the Fund pays the counterparty the current value of the ELN’s Underlying Instruments plus the cost to structure the ELN. Upon the maturity of the note, the Fund generally receives the par value of the note, plus interest, plus or minus a return based on the appreciation or depreciation of the Underlying Instruments.

The Fund invests in ELNs to enhance the Fund’s yield (i.e., for income generation from premiums on options sold and capital appreciation potential). When the Fund invests in ELNs, it receives cash but limits its opportunity to profit from an increase in the market value of the instrument because of the limits relating to the call options written within the particular ELN.

The ELNs in which the Fund invests generate interest, which is paid following the maturity of the ELN. The ELNs in which the Fund invests are highly customizable, individually negotiated, bilateral instruments that typically have a maturity between one week and six months. The Fund caps its exposure to ELNs with a single counterparty at 5% of the Fund’s assets. The ELNs in which the Fund invests may not be sold to third

parties. In order to redeem a ELN, the Adviser would sell back the ELN to the issuing counterparty and unwind the two components of the ELN (i.e., the derivative instruments and the options spread).

In selecting ELNs for the Fund, Aptus Capital Advisors, LLC (“Aptus” or the “Adviser”) considers the potential income the Underlying Instruments will generate and the potential losses that could be experienced by the Underlying Instruments, as well as the liquidity of the Underlying Instruments and the maturity of the ELN.

### ***Large Cap Enhanced Yield Strategy***

The Fund is an actively managed exchange-traded fund (“ETF”) that seeks to achieve its investment objective through a hybrid equity and equity-linked note (“ELN”) strategy. The Fund invests primarily in U.S.-listed largecap equity securities (the “Equity Strategy”) and invests the remainder of its assets in ELNs to generate income (the “ELN Strategy”). The Fund considers a large cap company to be one with a market capitalization that, at the time of purchase, is within the capitalization range of the S&P 500 Index. As of July 31, 2024, the market capitalization range represented by companies in the S&P 500 Index was approximately \$6.95 billion to \$3.4 trillion.

### ***Equity Strategy***

Under normal circumstances, at least 80% of the Fund’s net assets (plus borrowings for investment purposes) will be invested in equity securities of large cap companies. For purposes of such policy, the Fund considers equity securities to include U.S.-listed common stocks, American Depositary Receipts (“ADRs”), and real estate investment trusts (“REITs”).

Aptus Capital Advisors, LLC, the Fund’s investment adviser (“Aptus” or the “Adviser”), generally selects equity securities for the Fund based on an analysis of each company’s fundamental characteristics to try to identify attractive opportunities. In selecting U.S.-listed large cap stocks for the Fund, the Adviser uses an allocation method based on market capitalization, liquidity, and prospects for future price appreciation (i.e., prospects for future price appreciation as having the potential to grow revenue, earnings, or free cash flow).

### ***ELN Strategy***

In order to generate income, the Fund typically invests approximately 10% to 20% of its net assets in ELNs. ELNs are investment products structured as notes that are issued by counterparties, including banks, broker-dealers or their affiliates, and designed to offer a return linked to the underlying instruments within the ELN.

ELNs in which the Fund invests are derivative instruments that are specially designed to combine the economic characteristics of a U.S. large-cap equity index or individual U.S. large-cap equity securities (the “Underlying Instruments”) (e.g., the S&P 500) and option spreads in a single note form. Option spreads consist of (i) writing (selling) call options on the Underlying Instruments, while (ii) simultaneously reinvesting a portion of such premium to buy call options on the Underlying Instrument.

The ELNs provide recurring cash flow to the Fund based on the premiums from the call options the ELNs write and are an important source of the Fund’s return. Generally, when purchasing an ELN, the Fund pays the counterparty the current value of the ELN’s Underlying Instruments plus the cost to structure the ELN. Upon the maturity of the note, the Fund generally receives the par value of the note, plus interest, plus or minus a return based on the appreciation or depreciation of the Underlying Instruments.

The Fund invests in ELNs to enhance the Fund’s yield (i.e., for income generation from premiums on options sold and capital appreciation potential). When the Fund invests in ELNs, the Fund receives cash but this limits the Fund’s opportunity to profit from an increase in the market value of the instrument because of the limits relating to the call options written within the particular ELN.

The ELNs in which the Fund invests generate interest, which is paid following the maturity of the ELN. The ELNs in which the Fund invests are highly customizable, individually negotiated, bilateral instruments that typically have a maturity between one week and six months. The Fund caps its exposure to ELNs with a single counterparty at 5% of the Fund's assets. The ELNs in which the Fund invests may not be sold to third parties. In order to redeem an ELN, the Adviser would sell back the ELN to the issuing counterparty and unwind the components of the ELN (i.e., the Underlying Instruments and the options spread).

In selecting ELNs for the Fund, the Adviser considers the potential income the Underlying Instruments will generate and the potential gains or losses that could be experienced by the Underlying Instruments, as well as the liquidity of the Underlying Instruments and the maturity of the ELN.

### ***Small Cap Value Strategy***

The Fund is an actively managed exchange-traded fund ("ETF") that invests under normal circumstances at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of small-capitalization U.S. companies. The Fund defines small capitalization companies as those that, at the time of investment, fall within the lowest 15% of the total U.S. equity market capitalization (excluding, for purposes of this calculation, companies with market capitalizations of less than \$10 million), as calculated annually. As of April 30, 2024, there were approximately 3,985 small-capitalization companies, and those companies had market capitalizations ranging up to approximately \$18.14 billion. The Fund's equity securities primarily include common stocks, real estate investment trusts ("REITs"), and American Depositary Receipts ("ADRs") representing the stock of a foreign company. The Fund will generally limit its investments in ADRs to 20% of its total assets. The Fund may invest in securities offered in an initial public offering ("IPO") or in companies that have recently completed an IPO.

Aptus Capital Advisors, LLC, the Fund's investment adviser ("Aptus" or the "Adviser"), selects stocks across a variety of sectors and industries for the Fund by combining factor-based analysis with rigorous fundamental research to identify high-quality, growing companies that the Adviser believes are undervalued. The Adviser focuses on three core themes to identify companies for the Fund:

<i>Higher Quality</i>	Companies with sound business models, higher returns on equity, strong balance sheets, and shareholder-friendly management.
<i>Higher Growth</i>	Companies that are well-positioned to grow sales, earnings, cash flows, and dividends.
<i>Lower Valuation</i>	Companies whose valuations reflect lower price-to-earnings and higher yields than their peers.

The Adviser generally sells a stock for the Fund when the company is no longer believed to be high quality, when its anticipated growth rate has significantly declined, when it is no longer considered undervalued, or when it is no longer considered a small capitalization company after a significant period of time (e.g., more than one year).

### ***Large Cap Upside Strategy***

The Fund is an actively managed exchange-traded fund ("ETF"). Under normal circumstances, at least 80% of the Fund's net assets (plus borrowings for investment purposes) will be invested in equity securities of large cap companies. The Fund considers a large cap company to be a company with a market capitalization that, at the time of purchase, is within with the capitalization range of the S&P 500 Index.

The Fund seeks to achieve its objective by investing in individual stocks, equity and index put options and/or put spreads, equity futures, Treasury Bills, and total returns swaps that implement a systematic trading

strategy (STS). The Fund will own equity securities that, in the Adviser's view, score well through quality, value, and growth screens, which are constructed using a weighting scheme designed to reduce overall portfolio volatility. The Adviser may replace a security if it believes another security offers a better return potential, with a preference for low portfolio turnover.

The Fund will utilize futures or a total return swap on the S&P 500 Index, as well as collect option premiums on S&P 500 puts during favorable market conditions to capture more equity market upside. A total return swap is an agreement whereby one party contracts to make periodic payments to another party based on the change in market value of certain underlying assets, which may include a basket of stocks, equity futures, Treasuries, Treasury futures, puts or calls, or an index during a specified period, in exchange for periodic payments based on a fixed or variable interest rate or the total return of other underlying assets.

Finally, the Fund will hold Treasury Bills to provide a return on cash used as collateral for the options, total return swaps, and/or futures, employing either standard exchange-listed options or Flexible Exchange Options ("FLEX"). An options contract provides a buyer the option to buy (call option) or sell (put option) an asset at a strike price on a future date.

#### Risk of Loss

All investment portfolios are subject to risks that clients should be prepared to bear. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

*Principal Investment Risks* The principal risks of investing in the Funds are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with other funds. Each risk summarized below is considered a potential "principal risk" of investing in the Funds, regardless of the order in which it appears. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. Some or all of these risks may adversely affect the Fund's net asset value per share ("NAV"), trading price, yield, total return and/or ability to meet its objectives. For compilation of each fund's risks please see each fund's prospectus and more information about the risks of investing in the Funds, see the section in each Fund's Prospectus titled "Additional Information About the Fund."

*Capital Controls and Sanctions Risk.* Economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to foreign government intervention (including intervention by the U.S. government with respect to foreign governments, economic sectors, foreign companies and related securities and interests) and the imposition of capital controls and/or sanctions, which may also include retaliatory actions of one government against another government, such as seizure of assets. Capital controls and/or sanctions include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets. Capital controls and/or sanctions may also impact the ability of the Fund to buy, sell or otherwise transfer securities or currency, negatively impact the value and/or liquidity of such instruments, adversely affect the trading market and price for Shares, and cause the Fund to decline in value.

*Collared Options Strategy Risk.* Selling (writing) and buying options are speculative activities and entail greater than ordinary investment risks. Options enable the Fund to gain exposure that is significantly greater than the premium paid or received. Consequently, the value of such options can be volatile, and a small investment in options can have a large impact on the performance of the Fund. The Fund's use of call and put options can lead to losses because of adverse movements in the price or value of the underlying security,

which may be magnified by certain features of the options. When selling a call option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying security is above the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller and will be affected by changes in the value or yield of the option's underlying security, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the underlying security and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying security.

The Fund's use of options may reduce the Fund's ability to profit from increases in the value of the underlying securities. If the price of the underlying security of a written call option rises above its strike price, the value of the option and, consequently, the Fund may decline significantly more than if the Fund invested solely in the underlying security instead of using options. Similarly, if the price of the underlying security of a purchased put option remains above its strike price, the option may become worthless, and, consequently the value of the Fund may decline significantly more than if the Fund invested solely in the underlying security instead of using options

*Counterparty Risk.* Counterparty risk includes the possibility that a party to a transaction involving the Fund will fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategy.

*Currency Exchange Rate Risk.* The Fund invests primarily in other ETFs that have exposure to securities denominated in non-U.S. currencies or in securities that provide exposure to such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investment and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.

*Depository Receipt Risk.* Depository Receipts involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. Depository Receipts listed on U.S. exchanges are issued by banks or trust companies and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares ("Underlying Shares"). When the Fund invests in Depository Receipts as a substitute for an investment directly in the Underlying Shares, the Fund is exposed to the risk that the Depository Receipts may not provide a return that corresponds precisely with that of the Underlying Shares.

*Derivatives Risk.* Derivatives, such as the options, futures contracts, and swaps in which the Fund invests, can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in a derivative could have a substantial impact on the performance of the Fund. The Fund could experience a loss if its derivatives do not perform as anticipated, the derivatives are not correlated with the performance of their underlying security, or if the Fund is unable to purchase or liquidate a position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

- *Counterparty Risk.* Fund transactions involving a counterparty are subject to the risk that the counterparty will not fulfill its obligation to the Fund. Counterparty risk may arise because of the counterparty's financial condition (i.e., financial difficulties, bankruptcy, or insolvency), market



activities and developments, or other reasons, whether foreseen or not. A counterparty's inability to fulfill its obligation may result in significant financial loss to the Fund. The Fund may be unable to recover its investment from the counterparty or may obtain a limited recovery, and/or recovery may be delayed. The Options Clearing Corporation ("OCC") acts as guarantor and central counterparty with respect to FLEX Options. As a result, the ability of the Fund to meet its objective depends on the OCC being able to meet its obligations. In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses.

- *FLEX Options Correlation Risk.* The FLEX Options held by the Fund will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The value of the FLEX Options prior to the expiration date may vary because of related factors other than the value of the underlying asset. Factors that may influence the value of the FLEX Options, other than changes in the value of the underlying asset, may include interest rate changes, changing supply and demand, decreased liquidity of the FLEX Options, and changing volatility levels of the underlying asset.
- *FLEX Options Liquidity Risk.* The FLEX Options are listed on an exchange; however, no one can guarantee that a liquid secondary trading market will exist for the FLEX Options. In the event that trading in the FLEX Options is limited or absent, the value of the Fund's FLEX Options may decrease. In a less liquid market for the FLEX Options, liquidating the FLEX Options may require the payment of a premium (for written FLEX Options) or acceptance of a discounted price (for purchased FLEX Options) and may take longer to complete. A less liquid trading market may adversely impact the value of the FLEX Options and Fund shares and result in the Fund being unable to achieve its investment objective. The trading in FLEX Options may be less deep and liquid than the market for certain other securities. FLEX Options may be less liquid than certain non-customized options. In a less liquid market for the FLEX Options, the liquidation of a large number of options may more significantly impact the price. A less liquid trading market may adversely impact the value of the FLEX Options and the value of your investment.
- *FLEX Options Valuation Risk.* The value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The value of the FLEX Options prior to the expiration date may vary because of related factors other than the value of the underlying asset. During periods of reduced market liquidity or in the absence of readily available market quotations for the holdings of the Fund, the ability of the Fund to value the FLEX Options becomes more difficult and the judgment of the Fund's investment adviser (employing the fair value procedures adopted by the Board of Trustees of the Trust) may play a greater role in the valuation of the Fund's holdings due to reduced availability of reliable objective pricing data.
- *Futures Contracts Risks.* A decision as to whether, when, and how to use futures involves the exercise of skill and judgment and even a well-conceived futures transaction may be unsuccessful because of market behavior or unexpected events. In addition to the risks associated with all derivatives, the prices of futures can be highly volatile, using futures can lower total return, and the potential loss from futures can exceed the Fund's initial investment in such contracts and could be unlimited.
- *Options Risk.* Purchasing and selling (writing) options are speculative activities and entail greater than ordinary investment risks. Options enable the Fund to purchase exposure that is significantly greater than the premium paid. Consequently, the value of such options can be volatile, and a small investment in options can have a large impact on the performance of the Fund. The Fund risks losing all or part of the cash paid (premium) for purchasing options. Even a small decline in the value of a reference asset underlying call options or a small increase in the value of a reference asset underlying

put options can result in the entire investment in such options being lost. Additionally, the value of the option may be lost if the Adviser fails to exercise such option at or prior to its expiration. Further, writing option contracts can result in losses that exceed the seller's initial investment and may lead to additional turnover and higher tax liability. The Fund will incur a loss as a result of writing (selling) options if the price of the written option instrument increases in value between the date the Fund writes the option and the date on which the Fund purchases an offsetting position or exits the option.

- *Swap Risk.* The Fund may enter into derivatives called swaps. Risks associated with swap agreements include failure of the counterparties to perform under the contract's terms, changes in the returns of the underlying instruments, and the possible lack of liquidity with respect to the swap agreements. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the bankruptcy or default of a swap agreement counterparty.

*Derivatives Tax Risk.* The may enter into various transactions for which there is a lack of clear guidance under the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the taxation of the Fund. In particular, the use of certain derivatives may cause the Fund to realize higher amounts of ordinary income or short-term capital gain, to suspend or eliminate holding periods of positions, and/or to defer realized losses, potentially increasing the amount of taxable distributions, and of ordinary income distributions in particular. The Fund's use of derivatives may be limited by the requirements for taxation as a regulated investment company ("RIC"). In addition, the federal income tax treatment of a derivative may not be as favorable as a direct investment in an underlying asset and may adversely affect the timing, character and amount of income the Fund realizes from its investments. As a result, a larger portion of the Fund's distributions may be treated as ordinary income rather than capital gains. In addition, certain derivatives are subject to mark-to-market or straddle provisions of the Code. If such provisions are applicable, there could be an increase (or decrease) in the amount of taxable dividends paid by the Fund. In addition, the tax treatment of certain derivatives, such as swaps, is unsettled and may be subject to future legislation, regulation or administrative pronouncements issued by the Internal Revenue Service (the "IRS").

*ELNs Risk.* Investing in ELNs may be more costly to the Fund than if the Fund had invested in the Underlying Instruments directly. Investments in ELNs often have risks similar to the Underlying Instruments, which include market risk, foreign securities risk, and currency risk. The Underlying Instruments of the ELN involve the use of options under the terms defined in the ELN itself. Due to the utilization of options and depending on the terms of the ELN, the ELN may be sensitive to leverage risk. That leverage risk is limited to the change in the value of the ELN and its terms. Investments in ELNs allow for enhanced yield but are subject to limited upside appreciation potential based on movements of a single underlying reference asset, basket of stocks, or index of equity securities. The Fund's losses from investing in an ELN is limited to the principal amount that the Fund invested in such ELN. In addition, since ELNs are in note form, ELNs are also subject to certain debt securities risks, such as credit or counterparty risk. Should the prices of the Underlying Instruments move in an unexpected manner, the Fund may not achieve the anticipated benefits of an investment in an ELN, and may realize losses, which could be significant and could include the entire principal investment. Investments in ELNs are also subject to liquidity risk, meaning that ELNs may be difficult to sell and value. A lack of liquidity of an ELN may also cause the value of the ELN to decline. In addition, ELNs may exhibit price behavior that does not correlate with the Underlying Instruments. ELN investments are subject to the risk that issuers and/or counterparties will fail to make payments when due or default completely. Prices of these investments may be adversely affected if any of the issuers or counterparties it is invested in are subject to an actual or perceived deterioration in their credit quality. Unlike a direct investment in equity securities, ELNs typically involve a term or expiration date, potentially increasing the Fund's turnover rate, transaction costs and tax liability.

*Emerging Markets Risk.* Investments in securities and instruments traded in developing or emerging

markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments or investments in more developed international markets. Such conditions may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Shares and cause the Fund to decline in value. Less information may be available about companies in emerging markets than in developed markets because such emerging markets companies may not be subject to accounting, auditing, and financial reporting standards or to other regulatory practices required by U.S. companies. Additionally, limitations on the availability of financial and business information about companies in emerging markets may affect the Index Provider's ability to accurately determine the companies that meet the Index's criteria.

*Equity Market Risk.* The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers. In addition, local, regional or global events such as war, including Russia's invasion of Ukraine, acts of terrorism, spread of infectious diseases or other public health issues (such as the global pandemic caused by the COVID-19 virus), recessions, rising inflation, or other events could have a significant negative impact on the Fund and its investments. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Such events could adversely affect the prices and liquidity of the Fund's portfolio securities or other instruments and could result in disruptions in the trading markets.

*ETF Risks.* The Fund is an ETF, and, as a result of an ETF's structure, it is exposed to the following risks:

- *Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk.* The Fund has a limited number of financial institutions that may act as Authorized Participants ("APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.
- *Costs of Buying or Selling Shares.* Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
- *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- *Trading.* Although Shares are listed for trading on Cboe BZX Exchange, Inc. (the "Exchange") and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade

with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares, and this could lead to differences between the market price of the Shares and the underlying value of those Shares.

*Fixed Income Securities Risk.* The Fund invests indirectly in fixed income securities through investments in Underlying Bond ETFs, which involve certain risks, including:

- *Credit Risk.* Credit risk refers to the possibility that the issuer of a security will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of an investment in that issuer.
- *Event Risk.* Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company's bonds and/or other debt securities may decline significantly.
- *Extension Risk.* When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.
- *Interest Rate Risk.* Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Changes in government intervention may have adverse effects on investments, volatility, and illiquidity in debt markets.
- *Prepayment Risk.* When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and the proceeds may have to be invested in securities with lower yields.

*Foreign Investment Risk.* Because of the Fund's investment in ADRs, changes in foreign economies and political climates are more likely to affect the Fund than a fund that invests exclusively in U.S. companies. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad) or changed circumstances in dealings between nations.

*Geographic Investment Risk.* To the extent the Fund invests a significant portion of its assets in the securities of companies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region.

*Geopolitical Risk.* Some countries and regions in which the Fund invests have experienced security concerns, war or threats of war and aggression, terrorism, economic uncertainty, natural and environmental disasters and/or systemic market dislocations that have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally. Such geopolitical and other events may also disrupt securities markets and, during such market disruptions, the Fund's exposure to the other risks described herein will likely increase. Each of the foregoing may negatively impact the Fund's investments.

*Government Obligations Risk.* No assurance can be given that the U.S. government will provide financial support to U.S. government-sponsored agencies or instrumentalities where it is not obligated to do so by law, such as Fannie Mae and Freddie Mac. Securities issued by Fannie Mae and Freddie Mac have historically been supported only by the discretionary authority of the U.S. government. While the U.S. government provides financial support to various U.S. government-sponsored agencies and instrumentalities, such as Fannie Mae and Freddie Mac, no assurance can be given that it will always do so. In September 2008, at the direction of the U.S. Department of the Treasury, Fannie Mae and Freddie Mac were placed into conservatorship under the Federal Housing Finance Agency ("FHFA"), an independent regulator, and they remain in such status as of the date of this Prospectus. The U.S. government also took steps to provide additional financial support to Fannie Mae and Freddie Mac.

*Government Securities Risk.* The Fund invests in U.S. Treasury obligations and securities issued or guaranteed by the U.S. Treasury. U.S. government securities are subject to market risk, interest rate risk and credit risk. Securities, such as those issued or guaranteed the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund. Some GSE securities may not be backed by the full faith and credit of the U.S. government, such as those issued by Freddie Mac, Fannie Mae, FHLBanks, and Farmer Mac. These entities are, however, supported through federal subsidies, loans or other benefits. The Fund may also invest in GSE securities that are supported by the full faith and credit of the U.S. Government, such as those issued by the Government National Mortgage Association (Ginnie Mae).

*High Portfolio Turnover Risk.* The Fund may frequently buy and sell portfolio securities and other assets to rebalance the Fund's exposure to specific securities. Higher portfolio turnover may result in the Fund paying higher levels of transaction costs and generating greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than you expect.

*IPO Risk.* The Fund may invest in securities offered in an IPO or in companies that have recently completed an IPO. The market value of IPO shares can have significant volatility due to factors such as the absence of a prior public market, unseasoned trading, a small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs, and the Fund may lose money on an investment in such securities.

*Management Risk.* The Fund is actively managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for the Fund.

*Market Risk.* The trading prices of equity and debt securities and other instruments fluctuate in response to a variety of factors. The Fund's NAV and market price may fluctuate significantly in response to these and other factors. As a result, an investor could lose money over short or long periods of time.

Additionally, the trading prices of the securities held by the Fund, as well as the Underlying Instruments of the ELNs, fluctuate in response to a variety of factors. These factors include events impacting the entire market or specific market segments, such as political, market and economic developments, as well as events that impact specific issuers. The Fund's NAV and market price, like security and commodity prices generally, may fluctuate significantly in response to these and other factors. Local, regional or global events such as war, including Russia's invasion of Ukraine, acts of terrorism, spread of infectious diseases or other public health issues, recessions, rising inflation, or other events could have a significant negative impact on the Fund and its investments. For example, the global pandemic caused by COVID-19, a novel coronavirus, and the aggressive responses taken by many governments, including closing borders, restricting international

and domestic travel, and the imposition of prolonged quarantines or similar restrictions, has had negative impacts, and in many cases severe impacts, on markets worldwide. The COVID-19 pandemic has caused prolonged disruptions to the normal business operations of companies around the world and the impact of such disruptions is hard to predict. Such events may affect certain geographic regions, countries, sectors and industries more significantly than others. Such events could adversely affect the prices and liquidity of the Fund's portfolio securities or other instruments and could result in disruptions in the trading markets. As a result, an investor could lose money over short or long periods of time.

#### *Market Capitalization Risk.*

- *Large-Capitalization Investing.* The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.
- *Mid-Capitalization Investing.* The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies, but they may also be subject to slower growth than small-capitalization companies during times of economic expansion. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole, but they may also be nimbler and more responsive to new challenges than large-capitalization companies. Some mid-capitalization companies have limited product lines, markets, financial resources, and management personnel and tend to concentrate on fewer geographical markets relative to large-capitalization companies.
- *Small-Capitalization Investing.* The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of larger-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole.

*New Fund Risk.* The Fund is a recently organized investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision.

*Non-Diversification Risk.* The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

*Options Risk.* Selling (writing) and buying options are speculative activities and entail greater than ordinary investment risks. Options enable the Fund to gain exposure that is significantly greater than the premium paid or received. Consequently, the value of such options can be volatile, and a small investment in options can have a large impact on the performance of the Fund. The Fund's use of call and put options can lead to losses because of adverse movements in the price or value of the reference asset, which may be magnified by certain features of the options. When selling an option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying asset is below the strike price for a put option, or above the strike price for a call option, by an amount equal to or greater than the premium. Purchasing of put or call options involves the payment of premiums, which may adversely

affect the Fund's performance. Purchased put or call options may expire worthless resulting in the Fund's loss of the premium it paid for the option.

*Other Investment Companies Risk.* The risks of investing in investment companies, such as the Underlying Bond ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other ETFs, which may adversely affect the Fund's ability to achieve its investment objective. Investments in ETFs are also subject to the "ETF Risks" described above.

*REIT Investment Risk.* Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. REITs may be affected by changes in the value of their underlying properties or mortgages or by defaults by their borrowers or tenants. Furthermore, these entities depend upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. In addition, the performance of a U.S. REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

*Sector Risk.* To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors.

*Tail Hedge Risk.* The Fund may purchase put options designed to mitigate the Fund's exposure to significant declines in the broader U.S. equity market. However, there is a risk that the Fund will experience a loss as a result of engaging in such options transactions. Moreover, there can be no assurance that the tail hedge will be successful in protecting against all or any declines in the value of the Fund's portfolio because the amount of protection provided by the put options purchased by the Fund and the price of such protection will be dictated by prevailing market sentiment at the time the tail hedge is triggered. Additionally, the tail hedge will not protect against declines in the value of the Fund's portfolio where such declines are based on factors other than general stock market fluctuations.

*Tax Risk.* The use of derivatives strategies, such as writing (selling) and purchasing options, involves complex rules that will determine for income tax purposes the amount, character and timing of recognition of the gains and losses the Fund realizes in connection therewith. The Fund expects to generate premiums from its sale of options. These premiums typically will result in short-term capital gains for federal income tax purposes. In addition, equity securities that are hedged with put options may not be eligible for long-term capital gains tax treatment. The Fund is not designed for investors seeking a tax efficient investment.

The Fund may dispose of appreciated derivative holdings by distributing such positions in-kind pursuant to redemption requests. Under the Code, the distribution of appreciated property pursuant to a redemption request enables a RIC to avoid recognizing any built-in gain in such appreciated property. If the IRS disagrees with the Fund's position as the applicability of this non-recognition rule to the Fund's disposition of derivatives, the Fund could be required to recognize significant amounts of additional income and gains that would need to have been distributed to shareholders of the Fund to avoid incurring entity level income tax and potentially excise taxes. Failure to distribute sufficient amounts of income could cause the Fund to lose its tax favored status as RIC. If the Fund did not qualify as a RIC for any taxable year and certain relief provisions were not available, the Fund's taxable income would be subject to tax at the Fund level and to a further tax at the shareholder level when such income is distributed. Failure to comply with the

requirements for qualification as a RIC would have significant negative tax consequences to Fund shareholders

*Value-Style Investing Risk.* The value investing style may over time go in and out of favor. At times when the value investing style is out of favor, the Fund may underperform other funds that use different investing styles.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of ACA or the integrity of ACA's management. ACA has no disciplinary events to report.

### ***Item 10 - Other Financial Industry Activities and Affiliations***

As noted previously, ACA is the investment adviser to the Aptus Drawdown Managed Equity, Collared Investment Opportunity, Defined Risk, Opus Small Cap Value, and Aptus International Enhanced Yield, Aptus Enhanced Yield, Aptus Large Cap Enhanced Yield, and Aptus Large Cap Upside ETFs. ACA earns a fee on Fund assets through its position as investment adviser to the Funds. Additionally, ACA is the investment adviser for a private label ETF, McElhenny Sheffield Managed Risk ETF ("MSMR"). ACA earns a portion of the fee on MSMR assets through its position as investment adviser to the Fund. ACA recommends the purchase of shares of the Funds to private advisory clients for whom the strategy is suitable. Therefore, in some instances, based on the amount of assets in the Funds and the client's non-Fund assets, a client may pay total fees in excess of the client's original portfolio management fee.

As noted previously, ACA provides model portfolios to other Registered Investment Advisers and Broker-Dealers. The Aptus Model Portfolio Service (The Impact Series) involves ACA creating, managing, and maintaining investment models and updating Subscribers as adjustments occur within the models. In addition, ACA includes Aptus ETFs as investments in The Impact Series. ACA receives fees for the Aptus ETFs included in The Impact Series.

ACA may have Registered Representatives of Broker- Dealer firms. From time to time, they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. ACA always acts in the best interest of the client; including the sale of commissionable products to advisory clients.

ACA does not receive payment from any other company for the referral of business.

ACA and LibertyFi, LLC (LibertyFi), are part of the same parent company. LibertyFi helps investment advisers scale their businesses with Envestnet's platform. LibertyFi evaluates clients' business processes and their supporting technologies, implements the Envestnet platform, and streamlines operations.

As noted previously, ACA receives compensation from one or more investment managers that offer their investment strategies or products on the Platform (each, a "**Fund Specialist**"). ACA provides asset management and investment services through its investment management platform (the "**Platform**"). Among other things, the Platform enables independent investment advisers (each, a "**User**") to outsource chief investment officer services to manage their client accounts. The Platform enables Users to create investment proposals, build and implement model portfolios, and create content. The Platform also enables



Users to leverage ACA to trade client accounts according to the models and proposals that the User has created or adopted. Clients should be aware agreements that ACA has with Fund Specialists create a conflict of interest as it creates an incentive for ACA to promote and favor Fund Specialists that compensate ACA or that compensate ACA more than other Fund Specialists. ACA seeks to mitigate this conflict of interest by disclosing its existence to clients and prospective clients of the Platform and allowing them to make an informed decision about the materiality of the conflict. For more detail on this service please see Platform Fund Specialist Services In section 4 and 5 of this ADV 2A.

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

#### **Code of Ethics and Personal Trading**

ACA has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. ACA’s Code has several goals. First, the Code is designed to assist ACA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, ACA owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with ACA (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for ACA’s associated persons. Under the Code’s Professional Standards, ACA expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, ACA associated persons are not to take inappropriate advantage of their positions in relation to ACA clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, ACA’s associated persons may invest in the same securities recommended to clients. Under its Code, ACA has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### **Participation or Interest in Client Transactions**

As outlined above, ACA has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, ACA’s goal is to place client interests first.

Consistent with the foregoing, ACA maintains policies regarding participation in initial public offerings (“IPOs”) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an ACA associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person’s shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with ACA’s written policy.

## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, ACA seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, ACA may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination) and may be used in servicing any or all of ACA’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

### **Research and Other Soft Dollars Benefits**

In addition to execution services, Aptus also receives research and other products or services from broker-dealers referred to as “soft dollars benefits”. Soft dollars are assets of Aptus’ clients and are used to pay for research services utilized by ACA. ACA receives benefits but does not pay for these services. Soft dollar benefits include a variety of research, investment information, and resources provided by the broker-dealer directly or through third parties that are expected to enhance ACA’s portfolio management capabilities.

ACA obtains soft dollar benefits through commission-sharing arrangements with selected broker- dealers. Under these arrangements, ACA arranges with executing broker-dealers to allocate a portion of total commissions paid to a pool of soft dollar credits maintained by the broker-dealer that can be used to obtain eligible soft dollar benefits made available by third-party service providers at the direction of ACA.

There are cases when ACA receives mixed-use services. These are non-research and research benefits from service providers. When this happens, ACA will make a good faith allocation between the non- research and research portion of the services received and will pay “hard dollars” (i.e. ACA will pay from their own monies) for the non-research portion.

As permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended and regulatory guidance from the SEC; in circumstances in which ACA has brokerage discretion and when execution is comparable, clients may pay a commission higher than that which another broker-dealer might have charged for effecting the same transaction in recognition of the value of research services provided by the broker-dealer. Any particular research service may not be used to service each client account and may not benefit the particular accounts that generated the brokerage commissions. Therefore, proportionate expense and benefit may not accumulate to a client.

Conflicts of interest arise by the use and allocation of soft dollar arrangements. Soft dollar benefits have the potential to cause an investment adviser to trade frequently to generate soft dollar commissions to pay for these products or services. In addition, the adviser has the incentive to select or recommend a broker-dealer based on interest in receiving research or other products or services, rather than on the client’s interest in receiving most favorable execution. ACA has adopted policies and procedures concerning soft dollars, that address the use of client commissions and require that such use be consistent with Section 28(e), provide lawful and appropriate assistance in the investment decision- making process, and that the value of the research or brokerage service obtained be reasonable in relation to the commissions paid. The CCO approves all soft dollar arrangements and continuously monitors ACA’s soft dollar practices and any third- party arrangements to ensure consistency with policies and disclosures amending Part 2A of Form ADV promptly in the event of any changes. In addition, the CCO or his designees will be responsible for maintaining the

detailed records of all ACA's soft dollar arrangements and all executed soft dollar transactions.

ACA participates in the institutional advisor programs (the "Programs") offered by Fidelity, through National Financial Services, LLC, member FINRA/SIPC, Charles Schwab & Co., Inc. (Schwab), member SIPC, and LPL Financial, LLC, member FINRA/SIPC, together, the "Custodians." The Programs are offered to independent advisers and includes such services as custody of securities, trade execution, clearance and settlement of transactions. ACA receives some benefits from the Custodians through its participation in the Programs. ACA is not affiliated with the Custodians.

ACA recommends the Custodians to clients for custody and brokerage services. While there is no direct link between ACA's participation in the Programs and the investment advice it gives to its clients, through its participation in the Programs ACA receives economic benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desks serving the Programs' participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and exchange traded funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to ACA by third party vendors. The Custodians may also pay for business consulting, professional services and/or software received or utilized by ACA and its related persons. These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodians. Some of the products and services made available by the Custodians through the Programs may benefit ACA but may not directly benefit its client accounts. These products or services may assist ACA in managing and administering client accounts, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help ACA manage and further develop its business enterprise. The benefits received by ACA or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, ACA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by ACA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence ACA's choice of the Custodians for custody and brokerage services.

#### Directed Brokerage

In limited circumstances, Clients may direct ACA to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that ACA has with the Custodians is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing ACA to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with ACA that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

ACA may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows ACA to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

ACA will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of ACA's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all ACA's transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical. If an aggregated order is filled in its entirety, it will be allocated among applicable clients. If the order is partially filled, it will generally be allocated on a pro-rata basis, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated differently if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of ACA. ACA's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and ACA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

#### ***Item 13 - Review of Accounts***

Managed portfolios for sub-advisory services or direct clients to whom ACA provides separate financial planning are reviewed and rebalanced using model portfolio technology to bring accounts in line with revised model allocations upon any revision. Models are generally reviewed quarterly, or as necessary or when strategy dictates if no such revision has been made. Additionally individual accounts are reviewed upon the request of an advisor or client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by ACA. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. If at any time an individual's personal or financial circumstances should change, it may be material to your portfolio strategy and you should contact ACA as

soon as possible. ACA's Members review all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Additional reports are available at the request of the client.

#### ***Item 14 - Client Referrals and Other Compensation***

As noted above, ACA receives an economic benefit from the Custodians in the form of support products and services it makes available to ACA name and other independent investment advisors whose clients maintain accounts at the Custodians. These products and services, how they benefit our firm, and the related conflicts of interest are described in (***Item 12 - Brokerage Practices***). The availability of the Custodians' products and services to ACA is based solely on our participation in the Programs, and not on the provision of any particular investment advice. Neither the Custodians nor any other party is paid to refer clients to ACA.

In addition, ACA receives compensation for its *Subscription Service* and services, as described under ***Item 4- Advisory Business***. ACA also pays to be a partner on *Subscription Service* platforms. These payments maybe paid as a periodic flat fee, or as a part of a revenue-sharing arrangement.

ACA has a referral arrangement with a compensated promoter that refers client to ACA. Whenever ACA pays a promoter, ACA requires the promoter to provide the prospective client a disclosure statement that includes, a statement on whether the promoter is or is not a current client, that promoter is compensated, a brief statement of any material conflicts of interest on the part of the promoter resulting from the relationship with ACA, the material terms of the compensation arrangement, and a final description of any additional material conflicts of interest on the part of the Promoter resulting from the investment adviser's relationship with such person and/or the compensation arrangement.

ACA does not receive payment from any company for the referral of advisory business.

#### ***Item 15 - Custody***

Charles Schwab, Fidelity and LPL, are the custodians of nearly all client accounts at ACA. From time to time however, clients may select an alternate broker to hold accounts in custody. ACA does not maintain physical possession of client funds or securities, however ACA is deemed to have limited custody due to the written authorization to deduct advisory fees from client accounts. In any case, it is the account custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify ACA of any questions or concerns. Clients are also asked to promptly notify ACA if the custodian fails to provide statements on each account held.

From time to time and in accordance with ACA's agreement with clients, ACA will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### ***Item 16 - Investment Discretion***

As described above under **Item 4 - Advisory Business**, ACA manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, ACA will execute that plan without specific consent from the client for each transaction. In some limited instances, the client will hold discretion over their account and execute trades on their own. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving ACA the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client, and the withdrawal of advisory fees directly from the account. ACA then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with ACA and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between ACA and the client.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with ACA's client agreement, ACA does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may have proxy materials forwarded to ACA by indicating so on the Investment Advisory Agreement. This is only as a convenience to the Client, as Clients cannot "opt out" of receiving proxy materials from the custodian, however **ACA will not vote them**. Clients may contact ACA with questions relating to proxy procedures and proposals; however, ACA generally does not research particular proxy proposals.

ACA does vote proxies on behalf of shareholders in the Aptus Funds. Proxy voting policies and procedures are found in the Aptus Compliance Manual and are available upon request.

#### ***Item 18 - Financial Information***

ACA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.