

Cover Page - Item 1



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**February 13, 2024**

**Form ADV Part 2A Brochure**

PeachCap Tax & Advisory, LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of PeachCap Tax & Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (404) 220-8958. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PeachCap Tax & Advisory, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On February 13, 2024, we submitted our annual updating amendment for fiscal year 2023. There were no material changes to report.

We urge our clients to read our entire Form ADV Part 2 Brochure to familiarize themselves with our firm, our services, and conflicts of interest. If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (404) 220-8958.

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

PeachCap Tax & Advisory, LLC (hereinafter “PCTA”) is a registered investment advisor based in Atlanta, Georgia. We are a limited liability company, organized under the laws of the State of Georgia. We have been providing investment advisory services since 2011. PeachCap Incorporated is the sole owner of PCTA. Eric Steven Burnette and Joshua Wood Gregg are the principal owners of PeachCap Incorporated.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual Client:

- **Portfolio Management Services**
- **Recommendation of Third-party Investment Advisers**
- **Financial Planning Services**

#### **Portfolio Management Services**

Our firm offers continuous discretionary and, in limited cases, non-discretionary portfolio management services. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions are made based upon your stated investment objectives. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet your needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

PCTA does not recommend one particular type of security over other types of securities, but we do provide advice on various types of securities, such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

However we construct your investment portfolio, we will monitor your portfolio’s performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

#### **Management of Held Away Assets**

As part of our overall portfolio management services, we provide asset allocation review, rebalancing and management services for accounts that are not held in custody of the qualified custodian(s) recommended by our firm. These services are provided through an account aggregation service called Pontera (formerly FeeX). The service primarily applies to ERISA and non-ERISA plan assets such as 401(k)s and 403(b)s, and other assets that must be held in custody of the plan custodian(s). We regularly review the available investment options in these

accounts, monitor them, and periodically rebalance and implement our strategies using different tools as necessary. If you elect to allow our firm to manage your assets through Pontera, you will be notified via email when PCTA places trades through Pontera.

#### **Wrap Fee Programs**

PCTA is the portfolio manager and sponsor of the PeachCap Wrap Fee Program. A wrap fee program combines portfolio management, advisory services, and trade execution for a single fee. PCTA, as portfolio manager is responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by and custodied at Hilltop Securities, Inc. ("Hilltop") and Axos Advisor Services ("Axos"). PCTA receives a portion of the Wrap Fee for portfolio management services. Hilltop and Axos will receive a portion of the fee for trade execution expenses. Please see the attached Wrap Fee Brochure for additional information on this program.

#### **Recommendation of Third-Party Investment Advisers**

As part of our overall portfolio management strategy, we may also recommend third-party investment advisers or programs to manage all or a portion of your account. All third-party investment advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the third-party investment adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the third-party investment adviser's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

#### **Financial Planning Services**

We offer various financial planning related services, which assist our Clients in the management of their financial resources. Financial planning services are based upon an analysis of your individual needs and begin with one or more information gathering consultations. Once we collect and analyze all documentation gathered during these consultations, we provide a written financial plan designed to achieve your financial goals and objectives. In this way, PCTA assists you in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of your present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk, coordinate, and organize records, and estate information.
- Retirement Analysis – Identification of your long-term financial and personal goals and objectives including advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet your needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and effect on your portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for your objectives. We identify and evaluate tax consequences and their implications.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.

- **Estate Analysis** – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

The recommendations and solutions are designed to achieve your desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are based on your financial situation based on the information provided to the firm. We should be notified promptly of any change to your financial situation, goals, objectives, or needs.

You can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence and 401(k) platform due diligence. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory, brokerage, or insurance provider of your choice.

#### **Assets Under Management**

As of January 25, 2024, we manage approximately \$115,773,888 in Client assets on a discretionary basis, and \$0 in Client assets on a non-discretionary basis.

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

#### **Non Wrap Portfolio Management Services Fees**

PCTA charges an annual fee based upon a percentage of the market value of the assets being managed. We charge the following annualized asset management fees:

<b>Assets Under Management</b>	<b>Annual Advisory Fee</b>
\$0 - \$500,000	2.20%
\$500,001 - \$1,000,000	1.70%
\$1,000,001 - \$5,000,000	1.45%
Over \$5,000,000	Negotiable

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of your financial circumstances, among others. Since this fee is negotiable, the exact fee paid by you will be clearly stated in the advisory agreement signed by you and us.

Portfolio management fees are billed quarterly, in advance, and are based on the value of your portfolio at the end of the preceding quarter. Terms of payment are stated in the advisory agreement signed by you and us. We shall never have physical custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services. We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given us written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

For held away assets managed through Pontera, Pontera does not offer us the ability to deduct fees from the account. As such, fees for the management of held away assets will either be paid directly by the Client or deducted from another account that we manage for the Client at the qualified custodian(s) recommended by our firm.

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The management agreement between you and PCTA will continue in effect until either party terminates the management agreement in accordance with the terms of the management agreement. PCTA's annual fee will be pro-rated through the date of termination. Any pre-paid, unearned fees will be promptly refunded to the Client.

Although TD Ameritrade, the custodian for our non-wrap portfolio management services has implemented \$0 transaction fee schedule for most equity trades, non-wrap portfolio management accounts are still subject to platform fees, mutual fund transaction fees, bond brokerage fees and other fees that can have an impact on the overall fee paid by the client. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

**Important Notes:**

*Clients of our firm have a choice between participating in wrap accounts custodied at Hilltop Securities, Inc. or Axos Advisor Services ("Axos"), or non-wrap accounts at TD Ameritrade under a non-wrap arrangement. Although the overall fee charged by PCTA for the management of wrap and non-wrap accounts is similar, non-wrap account will incur additional fees and commissions charged by TD Ameritrade such as Over The Counter Equity trade fees, mutual fund transaction fees, options trading fees, trade away and step out trade fees, prime brokerage fees, mutual fund short term redemption fees, UIT transaction fee and regulatory fees. The PeachCap Wrap Fee Program fee is inclusive of all such fees.*

*In addition, we have engaged Envestnet Asset Management, Inc. ("Envestnet"), an unaffiliated third-party investment adviser to provide us with access to certain back-office services, including assistance with billing and reporting. Envestnet charges our non-wrap portfolio management clients a fee that is separate from and in addition to PCTA's fee. Hilltop Securities, Inc. provides access to Envestnet's wealth management platform for no additional charge to clients. In addition, Hilltop Securities, Inc. provides portfolio performance reports to participants in the PeachCap Wrap Fee Program who have custodied assets at Hilltop Securities, Inc. Axos Advisor Services also provides us with access to its proprietary portfolio management system and provides portfolio performance reports to participants in the PeachCap Wrap Fee Program who have custodied assets with Axos.*

**Third-party Adviser Fees**

Advisory fees charged by third-party investment advisers may be separate and apart from our advisory fees. Advisory fees that you pay to third-party investment advisers are established and payable in accordance with the Form ADV Brochure provided by each third-party investment adviser to whom you are referred. These fees may or may not be negotiable. You should review the recommended third-party adviser's brochure and take into consideration their fees along with our fees to determine the total amount of fees charged to your account. In some cases, we will share in the fee charged by the third-party adviser. Generally, the combined fee charged by PCTA and the third-party adviser will be lower than 3% of Client assets under management. Clients are informed that a combined fee in excess of 3% of assets under management is in excess of industry norm and similar advisory services can be obtained for less. Depending on the third-party adviser, Clients may or may not be able to negotiate the portion of the third-party adviser fee payable to PCTA.

You will be required to sign an agreement directly with the third-party adviser(s). You may terminate your advisory relationship with the third-party adviser(s) according to the terms of your agreement with the third-

party adviser(s). You should review each adviser's brochure for specific information on how you may terminate your advisory relationship with the adviser and how you may receive a refund, if applicable. You should contact the third-party adviser directly for questions regarding your advisory agreement with the third-party adviser.

Since our compensation may differ depending upon our individual agreement with each third-party adviser, we have an incentive to recommend one third-party adviser over another third-party adviser with whom we have less favorable compensation arrangements or other advisory programs offered by third-party advisers with which we have no compensation arrangements. At all times PCTA and its Associated Persons uphold their fiduciary duty of fair dealing with Clients.

The third-party investment adviser may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the Client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services. In a non-wrap pricing structure, the third-party investment adviser's fee may be separate from the advisory fee charged by PCTA. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such third-party investment advisory services. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the third-party investment adviser's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the third-party investment adviser's account opening documents. A copy of all relevant disclosure documents of the third-party investment adviser and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

#### **Financial Planning Services Fees**

PCTA provides its Clients financial planning and consulting services. Prior to engaging PCTA to provide consulting services, the Client will be required to enter into a financial planning agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the fee that is due from the Client. PCTA will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

- *Fixed Fees:* PCTA will charge a fixed fee of up to \$10,000, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000. In these cases, we will notify the Client and may request that the Client pay an additional fee.
- *Hourly Fees:* PCTA charges an hourly fee of up to \$300 for Clients who request specific services (such as a modular plan or hourly consulting services).

Other fee payment arrangements may be negotiated with the Client on a case-by-case basis. All such arrangements will be clearly set forth in the financial planning agreement signed by the Client and the firm. Fees are payable as invoiced.

Either party may terminate the financial planning agreement by written notice to the other. In the event the Client terminates PCTA's financial planning services, the balance of any prepaid, unearned fees (if any) will be promptly refunded to the Client. PCTA does not require the prepayment of over \$1,200, six or more months in advance.

#### **IRA Rollover Considerations**

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.



An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

#### **Additional Fees and Expenses**

All fees paid to PCTA for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of PCTA. In which case, you would not receive the services provided by PCTA, which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by PCTA to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided. Although PCTA uses its best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes or funds that do not pay 12b-1 distribution fees.

**Negotiability of Fees:** The fees PCTA charges are negotiable based on the amount of assets under management, complexity of Client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of any advisory Client. We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

**Billing on Cash Positions:** The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

**Periods of Portfolio Inactivity:** The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may

be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

#### **Compensation for the Sale of Investment Products**

##### Compensation for the Sale of Securities

Certain Executive officers and other Associated Persons of PCTA are registered representatives of PeachCap Securities, Inc., an affiliated broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). PCTA and PeachCap Securities, Inc are affiliated through common ownership. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

##### Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Our Associated Persons and we do not accept performance-based fees.

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

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, foundations, charitable organizations, corporations, and other business entities.

PCTA does not require a minimum account size to establish an advisory relationship.

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

PCTA advisors may use various methods to determine an appropriate investment strategy for your portfolio with the goal of reducing risk and increasing performance in each customized portfolio. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

##### **Methods of Analysis**

PCTA uses the following methods of analysis in formulating investment advice:

- *Fundamental* – Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business, including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.
- *Technical* – This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

- *Cyclical* – This method of analysis focuses on the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins

### **Investment Strategies**

We may use one or more of the following investment strategies when advising you on investments:

- *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. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *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. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.
- *Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.
- *Margin Transactions* – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action,

such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
  - The broker-dealer can force the sale of securities or other assets in your account.
  - The broker-dealer can sell your securities or other assets without contacting you.
  - You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
  - The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
  - You may not be entitled to an extension of time on a margin call.
- *Short Sales* – securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.
  - *Option Writing* – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a Client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities, as described below:

#### **Recommendation of Particular Types of Securities**

As disclosed under the “Advisory Business” section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each Client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. In addition, pricing risk if not held to maturity and interest rate move.

**Concentrated Position Risk:** Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a

relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

**Environment, Social, and Governance Investment Criteria Risk:** If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.



**Risks Associated with Investing in Buffer ETFs:** Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Inverse Funds:** Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds, seek to provide the opposite of the single-day performance of the index or benchmark they track. Inverse funds are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds may also use derivative instruments to accomplish their objectives. As such, inverse funds are highly volatile and provide the potential for significant losses.

**Risks Associated with Investing in Inverse and Leveraged Funds:** Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

**Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.



**Municipal Securities Risk:** The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

**Alternatives Risk:** Non-traded REITs, business development companies, limited partnerships, and direct alternatives are subject to various risks such as liquidity and property devaluation based on adverse economic and real estate market conditions and may not be suitable for all investors. A prospectus that discloses all risks, fees, and expenses may be obtained from your advisor. Read the prospectus carefully before investing. This is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternatives investments.

**Foreign Securities Risk:** Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a Client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the Client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Illiquid securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded and/or for which no market is currently available may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. Lack of liquidity may cause the value of investments to decline and illiquid investments may also be difficult to value. A client may not be able to liquidate investment in the event of an emergency or any other reason.

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicle may normally involve investment in non-marketable securities where there is limited transparency. If obligated to sell an illiquid security prior to an expected maturity date, particularly with an infrastructure investment, they may not be able to realize fair value. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity:* Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.
- *Liquidity:* The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In

addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.

- **Credit risk:** Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Recommendation of Other Advisers:** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third-party is that while a particular third-party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third-party model portfolios, there is also a risk that a third-party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third-party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

**Cryptocurrency Risk:** Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm’s clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and “flow-through” to the underlying investors.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management.

*PeachCap Tax & Advisory, LLC and David H. Miller, Inv. Adv. Act Rel. No. 5935 (December 22, 2021)* – In this particular enforcement action, David H. Miller (“Miller”) and his SEC-registered investment advisory firm, PeachCap Tax & Advisory, LLC (“PCTA”), were cited for, among other things, sending a Confidential Private Placement Memorandum (“PPM”) with material misrepresentations and omissions and for engaging in various high-risk trading strategies inconsistent with its stated objectives and principal investment strategy. Additionally, the SEC found PCTA engaged in principal trades with advisory clients without providing the requisite transaction-

specific notice or obtaining consent. PCTA also did not adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the federal securities laws in connection with the principal trades. Lastly, PCTA did not adopt written compliance policies and procedures regarding volatility-linked exchange-traded products, which resulted in PCTA's investment adviser representatives ("IARs") using their discretionary authority over client accounts to buy and hold complex leveraged exchange funds ("Leveraged ETF") for retail clients for time periods that were inconsistent with the purpose of the product as described in its offering materials. As a result, the SEC stated willful violation of Section 17(a)(3) of the Securities Act, Sections 206(2), 206(3), 206(4) and Rules 206(4)-7 and 206(4)-8 thereunder of the Advisers Act and, censured PCTA, and barred Miller from acting as a broker or investment adviser or otherwise associating with firms that sell securities or provide investment advice to the public. PCTA was ordered to pay disgorgement of \$3,054.74, prejudgment interest of \$759.35, and civil penalties of \$135,000 to the SEC. Miller was ordered to pay \$65,000 in civil penalties to the SEC. Miller controlled PCTA's operations during the time period relevant to this action, and he was ordered to divest his interests in and to have no responsibilities with PCTA and other Regulated Entities.

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

Neither PCTA nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

##### **PeachCap Securities, Inc.**

Eric Steven Burnette, Joshua Wood Gregg, and other Associates Persons are registered representatives of and hold ownership interest in PeachCap Securities, Inc., a FINRA registered broker dealer and insurance agency. From time to time, they will offer Clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PCTA always acts in the best interest of the Client; including the sale of commissionable products to advisory Clients. Clients are in no way required to implement the plan through any representative of PCTA in their capacity as a registered representative or insurance agent. **Please refer to Item 5 of this brochure for further information regarding the additional compensation received by our Associates Persons and related entities for the sale of securities and insurance products.**

##### **PeachCap Tax, LLC and PeachCap CPA's LLC**

Eric Steven Burnette, Joshua Wood Gregg and other Associated Persons of PCTA have an indirect ownership interest in PeachCap Tax, LLC, a tax preparation firm, and a direct ownership interest in PeachCap CPA's LLC, a full-service accounting firm. Mr. Burnette, Mr. Gregg and other Associated Persons of PCTA will recommend PeachCap Tax, LLC and PeachCap CPA's LLC to their Clients; and, conversely PCTA may be recommended to Clients of PeachCap Tax, LLC and PeachCap CPA's LLC. Clients should be aware that a conflict of interest is inherent in such an arrangement. However, Clients of one firm are not required to use the services of any affiliated firm.

##### **Recommendation of Other Advisors**

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In some cases, PCTA will share in the compensation received by the third-party investment adviser. In these cases, we will generally enter into a formal, written agreement (i.e., a solicitor agreement) with such other investment advisers. These sorts of arrangements are often times referred to as "solicitor arrangements" and under such arrangements, we would be serving the role of solicitor for the other investment adviser.

As a result of these such arrangements, we may be incentivized to recommend only the investment advisers from whom we receive solicitor/referral fees as opposed to another investment adviser from whom we do not receive such fees. We continually monitor other investment advisers that we might recommend under a solicitor arrangement in the event that such investment advisers are not meeting the standards that we believe meet your needs, we will seek other investment advisers that may be a better fit for your specific management needs.

Additional details about any such arrangement can be found in the applicable solicitor disclosure document that we are obligated to provide to each of our Clients that we may refer to any other investment adviser under one of these solicitor arrangements. You are always welcome to request a copy of our current solicitor disclosure document for any investment adviser that we may have recommended or selected for you. You are not required to use the services of recommended third-party investment advisers.

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

##### **Description of Our Code of Ethics**

PCTA has adopted a Code of Ethics (the “Code”) to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes PCTA’s policies and procedures developed to protect Client’s interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of PCTA’s Code of Ethics is available upon request to our firm at (404) 220-8958.

##### **Personal Trading Practices**

At times, PCTA and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. PCTA and its related persons will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to Client trades. We will not violate our fiduciary responsibilities to our Clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

## **Brokerage Practices - Item 12**

Transactions for PeachCap Wrap Fee Program accounts will be executed by and custodied at Hilltop Securities, Inc. ("Hilltop") or Axos Advisor Services ("Axos"). Non-Wrap Fee Program accounts are custodied at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). TD Ameritrade, Axos and Hilltop are independent of, and unaffiliated with, PCTA and are members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

### **Research and Other Soft Dollar Benefits**

Although not considered soft dollars, we will receive additional benefits from TD Ameritrade, Axos and Hilltop. TD Ameritrade, Axos and Hilltop offer to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. PCTA receives some benefits from TD Ameritrade, Axos and Hilltop. These benefits include 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 a trading desk serving PCTA; 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 with no transaction fees and to certain institutional money managers; and discounts on marketing, research, technology, and practice management products or services provided to PCTA by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by PCTA's related persons.

Some of the products and services made available by TD Ameritrade, Axos and Hilltop through may benefit PCTA but may not benefit its Client accounts. These products or services may assist PCTA in managing and administering Client accounts, including accounts not maintained at TD Ameritrade, Axos and Hilltop. Other services made available by TD Ameritrade, Axos and Hilltop are intended to help PCTA manage and further develop its business enterprise. The benefits received by PCTA or its personnel do not depend on the amount of brokerage transactions directed to TD Ameritrade, Axos and Hilltop. As part of its fiduciary duties to Clients, PCTA endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by PCTA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the PCTA's choice of TD Ameritrade, Axos and Hilltop for custody and brokerage services.

In selecting a broker dealer based on discretionary authority, PCTA will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, PCTA may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

### **Brokerage for Client Referrals**

We do not receive Client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. In addition, we do not receive other benefits from a broker-dealer in exchange for Client referrals.



**Directed Brokerage**

The Client may direct brokerage to a specified broker-dealer other than the firm recommended by PCTA. In the event that a Client directs PCTA to use a particular broker-dealer, the firm may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to Clients who direct the Company to use a particular broker-dealer and those who do not. Clients cannot direct brokerage in wrap fee program accounts.

**Trade Aggregation**

While individual Client advice is provided to each account, Client trades can be executed as a block trade. The executing broker will be informed that the trades are for the account of PCTA's Clients and not for PCTA itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution. We will not aggregate a Client's order if in a particular instance we believe that aggregation would cause the Client's cost of execution to be increased. The broker dealer will be notified of the amount of each trade for each account. PCTA and/or its Associated Persons may participate in block trades with Clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

**Review of Accounts - Item 13****Portfolio Management Account Reviews**

PCTA monitors Client account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the CCO or the Associated Person assigned to the account. Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for annual retainer services or periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. PCTA may also provide performance reports on an as needed basis. In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

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

PCTA has brokerage and clearing arrangements with various broker dealers and the firm may receive additional benefits from these entities in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker dealers.

**Custodial Benefits**



As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

#### **Economic Benefits Received from Vendors and Product Sponsors**

Occasionally, our firm and our Associated Persons will receive additional compensation from vendors. Compensation could include such items as gifts; an occasional dinner or ticket to a sporting event; reimbursement in connection with educational meetings with an Associated Person, reimbursement for consulting services, client workshops, or events; or marketing events or advertising initiatives, including services for identifying prospective clients. Receipt of additional economic benefits presents a conflict of interest because our firm and Associated Persons have an incentive to recommend and use vendors based on the additional economic benefits obtained rather than solely on the client's needs. We address this conflict of interest by recommending vendors that we, in good faith, believe are appropriate for the client's particular needs. Clients are under no obligation contractually or otherwise, to use any of the vendors recommended by us.

PCTA does not currently have any compensation agreements for Client referrals with outside parties.

#### **Recommendation of Other Advisors**

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In these cases, PCTA will share in the compensation received by the third-party investment adviser. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of a third-party investment adviser. You are not required to use the services of any recommended third-party investment adviser.

### **Custody - Item 15**

PCTA is deemed to have custody of Client funds because of the fee deduction authority granted by the Client in the Advisory Agreement. The custodian will not verify the calculation of the advisory fees. You will receive account statements at least quarterly from the broker-dealer or other qualified custodian. You are urged to review custodial account statements for accuracy.

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

PCTA offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in Client accounts. Apart from the ability to withdraw management fees, PCTA does not have the ability to withdraw funds or securities from the Client's account. The Client provides PCTA discretionary authority via a limited power of attorney in the management agreement and in the contract between the Client and the custodian. If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

If you have engaged us for non-discretionary portfolio management services, PCTA will obtain your approval prior to executing all transactions in your account(s).

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

PCTA does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

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

We are required in this Item to provide you with certain financial information or disclosures about PCTA's, financial condition. PCTA does not require the prepayment of over \$1,200, six or more months in advance. Additionally, PCTA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

#### **Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC registered.**

Cover Page - Item 1



PeachCap Tax & Advisory, LLC

550 Pharr Rd NE, Suite 700  
Atlanta, GA 30305

Telephone: (404) 220-8958  
<https://PeachCap.com/>

**February 13, 2024**

**Form ADV Part 2A, Appendix 1:  
Wrap Fee Program Brochure**

PeachCap Tax & Advisory, LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This wrap fee program brochure provides information about the qualifications and business practices of PeachCap Tax & Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (404) 220-8958. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PeachCap Tax & Advisory, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this wrap fee brochure. This is our firm's first wrap fee brochure; therefore, we have not made any material changes.

On February 13, 2024, we submitted our annual updating amendment for fiscal year 2023. There were no material changes to report.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (404) 220-8958.

### **Table of Contents - Item 3**

**Please see table of contents on page 3 of this document**

#### **Services Fees and Compensation - Item 4**

##### **Services**

PeachCap Tax & Advisory, LLC (hereinafter "PCTA") offers a wrap fee program, the PeachCap Wrap Fee Program, whereby PCTA manages Client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs. Under the PeachCap Wrap Fee Program, PCTA offers discretionary investment advice designed to assist Clients in obtaining professional portfolio management for an inclusive "wrap fee."

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

As primary portfolio manager, PCTA and its Associated Persons are responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by Hilltop Securities, Inc. ("Hilltop") or Axos Advisor Services ("Axos"), Hilltop and Axos are registered broker dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

PCTA receives a portion of the Wrap Fee for portfolio management services and Hilltop or Axos will receive a portion of the fee for trade execution and other brokerage and custodial expenses. The terms and conditions under which a Client participates in the PeachCap Wrap Fee Program are set forth in the written agreement between the Client and PCTA. The overall cost incurred from participation in the PeachCap Wrap Fee Program may be higher or lower than if the services were purchased separately.

The portfolio management services for the PeachCap Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our Clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the Client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing.

Wrap accounts are managed to diversify Clients' investments and may include various types of securities such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

Asset allocation models diversified among investment styles and/or asset classes are developed and managed by us based on research conducted by PCTA. We may also rely on portfolio models developed by third-party investment advisers. Once the Client portfolio is constructed, PCTA provides continuous supervision of the portfolio as changes in the market conditions and Client circumstances may require. Investments and allocations

are determined based upon the Clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by Clients may affect the composition and performance of a Client's portfolio. For these reasons, performance of the portfolio might not be identical with other Clients of PCTA. We review the Clients' financial circumstances and investment objectives on an ongoing basis and make adjustments to Clients' portfolios or allocation models as may be necessary to achieve the desired results.

#### Management of Held Away Assets

As part of our overall portfolio management services, we provide asset allocation review, rebalancing and management services for accounts that are not held in custody of the qualified custodian(s) recommended by our firm. These services are provided through an account aggregation service called Pontera (formerly FeeX). The service primarily applies to ERISA and non-ERISA plan assets such as 401(k)s and 403(b)s, and other assets that must be held in custody of the plan custodian(s). We regularly review the available investment options in these accounts, monitor them, and periodically rebalance and implement our strategies using different tools as necessary. If you elect to allow our firm to manage your assets through Pontera, you will be notified via email when PCTA places trades through Pontera.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

#### **Fees**

PCTA charges a single negotiable asset-based fee for its management services, which includes the cost of portfolio management services, custodial services, the execution of securities transactions and other brokerage fees. This fee is deducted from the Client's account held at the custodian. The Client authorizes PCTA to debit the fee from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

Since the fee is negotiable, the exact fee paid by you will be stated in the advisory agreement signed by you and us. On an annualized basis, our maximum fees for portfolio management services are as follows:

Assets Under Management	Annual Advisory Fee
\$0 - \$500,000	2.20%
\$500,001 - \$1,000,000	1.70%
\$1,000,001 - \$5,000,000	1.45%
Over \$5,000,000	Negotiable

The annual fee for the PeachCap Wrap Fee Program is billed quarterly, in advance, and is based on the value of your portfolio at the end of the preceding quarter. Fees will be assessed pro rata in the event the Agreement is executed at any time other than the first day of a billing period. We may deduct the fee from a single, Client-designated account to facilitate billing. Terms of payment are stated in the advisory agreement signed by you and us.

Unless otherwise instructed by you, we will combine the value of related accounts for fee calculation and payment purposes to assist you in meeting fee breakpoints and therefore lowering the overall fee. PCTA extends this option

to accounts residing in the same household and certain members of the same family. For example, we combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

For held away assets managed through Pontera, Pontera does not offer us the ability to deduct fees from the account. As such, fees for the management of held away assets will either be paid directly by the Client or deducted from another account that we manage for the Client at the qualified custodian(s) recommended by our firm.

We encourage you to carefully review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

#### **Termination**

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The management agreement between you and PCTA will continue in effect until either party terminates the management agreement in accordance with the terms of the management agreement. PCTA's annual fee will be pro-rated through the date of termination. Any pre-paid, unearned fees will be promptly refunded to the Client.

#### **Additional Fees and Expenses**

The fees are charged as described above and are not based on a share of capital gains of the funds of an advisory Client.

The PeachCap Wrap Fee Program fees do not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through Hilltop or Axos, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

All fees paid to PCTA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, and a possible distribution fee. Certain mutual funds offered through the PeachCap Wrap Fee Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time. In the rare event an early redemption charge is assessed, the charge would be offset by the advisory fee or paid by PCTA.

All of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the PeachCap Wrap Fee Program Fee. You should consider all of these fees and expenses (including the PeachCap Wrap Fee Program Fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

#### **Other Important Considerations**

- Although the overall fee charged by PCTA for the management of wrap and non wrap accounts is similar, wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. The benefits under a wrap fee program depend, in part, upon the size of the account and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little or no trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the PeachCap Wrap Fee Program Fee and any other costs associated with the PeachCap Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the PeachCap Wrap Fee Program.
- In determining whether to establish a PeachCap Wrap Fee Program account, you are advised that the overall cost of the PeachCap Wrap Fee Program may be higher or lower than you might otherwise incur by purchasing separately the types of securities available in the PeachCap Wrap Fee Program. In order to compare the cost of the PeachCap Wrap Fee Program with unbundled services, you should consider the turnover rate in our investment strategies, trading activity in the account, and standard advisory fees and brokerage commissions that would be charged at Hilltop and/or Axos, or at other broker-dealers and investment advisers.
- The advisory fee may cost the Client more than if assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a wrap fee program account.
- The investment products available to be purchased in the wrap fee program can be purchased by Clients outside of a wrap fee program account, through broker-dealers or other investment firms not affiliated with PCTA.
- Our firm and our advisory representatives will receive compensation as a result of your participation in the PeachCap Wrap Fee Program. This compensation may be more than the amount our firm or the representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our representatives have a financial incentive to recommend the PeachCap Wrap Fee Program, and may recommend the PeachCap Wrap Fee Program over other programs or services for which the compensation arrangements are not as beneficial.

#### **Account Requirements and Types of Clients - Item 5**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, foundations, charitable organizations, corporations, and other business entities.

PCTA does not require a minimum account size to establish an advisory relationship.

#### **Portfolio Manager Selection and Evaluation - Item 6**

##### **Portfolio Managers**



PCTA is the sole sponsor and portfolio manager of the PeachCap Wrap Fee Program. Each account is managed by the Associated Person assigned to the Client relationship. We may also rely on various portfolio models developed by third-party investment advisers. We have chosen not to utilize outside portfolio managers. Therefore, there is no selection and review of outside portfolio managers. Neither us, nor any third-party reviews performance information to determine or verify its accuracy.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business and educational backgrounds. Please contact us at (404) 220-8958 with any questions you may have.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. PCTA may also provide performance reports on an as needed basis.

#### **Other Investment Advisory Services Offered by PCTA**

Please refer to Item 4 of our Form ADV Part 2A Brochure above for more information about portfolio management services, recommendation of third-party investment advisers, and financial planning services.

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

PCTA does not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of Client assets.

#### **Investment Strategies**

Please refer to Item 8 of our Form ADV Part 2A Brochure above for more information about our investment strategies.

#### **Methods of Analysis**

Please refer to Item 8 of our Form ADV Part 2A Brochure above for more information about our methods of analysis.

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Please refer to Item 8 of our Form ADV Part 2A Brochure above for a detailed discussion of the various risks associated with investing in securities.

#### **Proxy Voting**

PCTA does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### **Client Information Provided to Portfolio Managers - Item 7**

PCTA is the sole sponsor of the PeachCap Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by Clients. Client information will be updated in the company records upon notification of changes provided by Clients and during Client meetings between PCTA and Clients.

##### **Confidentiality**

PCTA views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, it has instituted policies and procedures to ensure that customer information is kept private and secure. PCTA does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a Client account, PCTA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

PCTA restricts internal access to nonpublic personal information about its Clients to those employees who need to know that information in order to provide products or services to the Client. PCTA maintains physical and procedural safeguards that comply with state and federal standards to guard a Client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be PCTA's policy never to sell information about current or former customers or their accounts to anyone. It is also PCTA's policy not to share information unless required to process a transaction, at the request of the Client, or as required by law.

A copy of PCTA's privacy policy notice will be provided to each Client prior to, or contemporaneously with, the execution of the agreement(s) for services. Thereafter, PCTA will deliver a copy of the current privacy policy notice to its Clients upon any material changes to its privacy policies and practices. If you have any questions regarding your privacy, please contact our firm at (404) 220-8958.

#### **Client Contact with Portfolio Managers - Item 8**

PCTA is the sole sponsor and portfolio manager for the PeachCap Wrap Fee Program. Clients are free to contact the portfolio managers at any time with questions regarding the PeachCap Wrap Fee Program. We can be reached at (404) 220-8958.

#### **Additional Information - 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 your evaluation of us or the integrity of our management. Please refer to Item 9 of our Form ADV Part 2A for important information about our firm's and certain management person's disciplinary history.

**Other Financial Industry Activities or Affiliations**

Please refer to Item 10 of our Form ADV Part 2A Brochure above for more information about our other financial industry activities and/or affiliations.

**Description of Our Code of Ethics**

PCTA has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes PCTA's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of PCTA's Code of Ethics is available upon request to our firm at (404) 220-8958.

**Personal Trading Practices**

At times, PCTA and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. PCTA and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. We will not violate our fiduciary responsibilities to our Clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

**Account Reviews, Statements and Reports**

PCTA monitors Client account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the CCO or the Associated Person assigned to the account. Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for annual retainer services or periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. PCTA may also provide performance reports on an as needed basis. In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

**Brokerage Practices**

PCTA executes all transactions through Hilltop Securities, Inc. ("Hilltop") or Axos Advisor Services ("Axos"). Hilltop and Axos are unaffiliated broker-dealers, and members of FINRA and the SIPC. PCTA has chosen Hilltop and Axos

on the basis of a number of factors, including quality of service, fees, reputation, accountability, and security of assets. The fees and commissions charged by Hilltop and/or Axos may be higher or lower than other broker dealers or custodians, depending on the type of transaction. PCTA considers the services provided by Hilltop and Axos to be high-quality and the fees charged to be comparable or favorable to those charged by other broker-dealers or custodians.

#### **Client Referrals and Other Compensation**

PCTA receives additional benefits from Hilltop and Axos such as electronic delivery of Client information, electronic trading platforms, portfolio management systems, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients.

The receipt of additional benefits gives us an incentive to require that you maintain your account with Hilltop and Axos based on our interest in receiving additional services from these broker dealers rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Hilltop and Axos as broker dealers/custodians is in the best interests of our Clients. Our belief is primarily supported by the scope and quality of services Hilltop and Axos provides to our Clients and not services that benefit only us.

To address the existence of this conflict, on a periodic basis, we conduct a best execution review considering the full range and quality of Hilltop's services, including execution quality, commission rate, the value of research provided, financial strength, and responsiveness to our requests for trade data and other information. Our obligation is not necessarily to get the lowest price but to obtain the best qualitative execution.

PCTA has brokerage and clearing arrangements with various broker dealers and the firm may receive additional benefits from these entities in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients. Please refer to Item 12 of our Form ADV Part 2A Brochure above for more information about the receipt of additional benefits from broker dealers.

PCTA does not currently have any compensation agreements for Client referrals with outside parties.

#### **Recommendation of Other Advisors**

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In these cases, PCTA will share in the compensation received by the third-party investment adviser. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of a third-party investment adviser. You are not required to use the services of any recommended third-party investment adviser.

#### **Financial Information**

We are required in this Item to provide you with certain financial information or disclosures about PCTA's, financial condition. PCTA does not require the prepayment of over \$1,200, six or more months in advance. Additionally, PCTA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

**Requirements for State-Registered Advisors - Item 10**

**This section is not applicable because our firm is SEC registered**

**PeachCap Tax & Advisory, LLC Rollover Services Disclosure**

In conjunction with the advisory services offered, PeachCap Tax & Advisory, LLC may provide recommendations related to the rollover of funds from an employer sponsored retirement plan. A plan participant leaving employment has several options with respect to their employer sponsored retirement plans. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and different retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

When our firm or our Associated Person(s) recommends an investor roll over plan assets into an Individual Retirement Account ("IRA"), we and our Associated Person(s) may earn an asset-based fee as a result. In most cases, we do not receive an asset-based fee if assets are retained in the plan. Often, account fees and expenses will increase because fees will apply to assets rolled over to an IRA and ongoing services will be extended to these assets. Thus, while there is arguably an economic incentive to encourage an investor to roll over plan assets into an IRA, we cannot and do not place our interests ahead of yours.

A rollover may also result in the assessment of other levels of fees and expenses, including, but not limited to, investment-related expenses imposed by other service providers and mutual fund managers not affiliated with us, as well as other fees and expenses charged by the custodian, third-party administrator, and/or record-keeper. We make no representations or warranties relating to any costs or expenses associated with the services provided by any third parties, and you understand that these fees are in addition to the fee paid to us for the rollover advice.

In cases where we provide you with rollover advice as defined by the Department of Labor, which may also include setting up and/or completing the rollover transaction, we do not serve as a custodian, and we do not provide legal or tax advice to you. In addition, we do not have any responsibilities or potential liabilities in connection with assets not related to the rollover and investments that are not managed by us.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests. In accordance with various rules and regulations, we must act in your best interest and we must not put our interests ahead of your interests. Additionally, we must: meet a professional standard of care when making investment recommendations (give prudent advice); never put our financial interests ahead of yours when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies, and procedures designed to ensure that we give advice that is in your best interest; charge no more than is reasonable for our services; and give you basic information about any conflicts of interest.

We rely on all information you provide to us, whether financial or otherwise, without independent verification.

We request that you promptly notify us in writing of any material change in the financial and other information provided to us, and to promptly provide any such additional information as may be reasonably requested by us.

Due to the volatile and unpredictable nature of financial markets, we do not guarantee any future performance, any specific level of performance, or the success of any recommendations or strategies that we may take or recommend for you, or the success of our overall recommendations. Investment recommendations are subject to various market, currency, economic, political, and business risks, and that investment decisions will not always be profitable.