



REALTA WEALTH

Realta Investment Advisors, Inc

1201 N. Orange Street, Suite 729
Wilmington, DE 19801
(888) 657-5200

www.realtawealth.com

January 5, 2024
(last updated March 22, 2023)

This Brochure provides information about the qualifications and business practices of Realta Investment Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (888) 657-5200 or info@realtawealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration of an Investment Adviser does not imply any level of skill or training. The verbal and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Realta Investment Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Section addresses only specific material changes that have been made to the Brochure since the last annual amendment and is intended to provide clients with a summary of such changes.

Coastal Investment Advisors has changed its name to Realta Investment Advisors.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation.....	8
Item 6 – Performance-Based Fees and Side-By-Side Management	14
Item 7 – Types of Clients.....	15
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	15
Item 9 – Disciplinary Information.....	20
Item 10 – Other Financial Industry Activities and Affiliations	20
Item 11 – Code of Ethics	21
Item 12 – Brokerage Practices	23
Item 13 – Review of Accounts.....	27
Item 14 – Client Referrals and Other Compensation	27
Item 15 – Custody	28
Item 16 – Investment Discretion.....	28
Item 17 – Voting Client Securities	29
Item 18 – Financial Information.....	29

Realta Investment Advisors, Inc. (“Realta Investment Advisors” or “RIA”) is an investment advisory firm that is registered with the U.S. Securities and Exchange Commission since June 6, 2007. RIA is wholly owned by Orange Street Holdings, Inc.

RIA provides ongoing investment advice and management of client assets through its investment advisor representatives, to whom we refer as “Financial Advisors.” Financial Advisors provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, fixed income securities, advisory programs offered by us or third-party investment advisory firms, and options. Our Financial Advisors may also offer advice related to RIA-approved direct participation programs, private placements, and other alternative investments, such as alternative energy programs, leasing programs, and real estate programs. Through our Financial Advisors, we provide a variety of investment management services, including portfolio management (implemented by Realta Investment Advisors or an independent, third-party money manager), investment consulting, financial planning, and estate planning. Our Financial Advisors may provide advice in areas such as wealth management, investment consulting, portfolio management, asset allocation, cash management/treasury services, and/or financial and estate planning.

RIA's Financial Advisors may market under the *Realta* brand or under a business name of their choosing. When marketing under a business name other than Realta, a Financial Advisor will distinguish between business done by *Realta* and other non-*Realta* business lines in which an Advisor may engage. Our advisors who use their own brand name have been instructed to disclose on advertising and client correspondence that their advisory services are offered through us, and when applicable, their brokerage services are offered through our affiliated Broker Dealer.

RIA is also affiliated with Realta Equities, Inc. (“REI”), a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”), and many RIA Financial Advisors are also registered with REI as a broker-dealer registered representative. Therefore, in such case, Financial Advisors can offer a client both investment advisory and brokerage services. When acting as a registered representative, these representatives will charge commissions on a per-transaction basis when implementing their advice for clients. Before engaging with a Financial Advisor, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. Clients should speak to the Financial Advisor to understand the different types of services available through Realta either through RIA or REI when the Financial Advisor is registered with both entities, and to determine which assets will be managed on an advisory basis and which assets will be sold through a brokerage basis. Financial Advisors who are dually registered as general securities representatives of its affiliated broker-dealer, Realta Equities, Inc. may recommend an investment as part of your advisory relationship and charge a fixed annual fee as described in this brochure and pursuant to your advisory agreement, or, if it is in your best interest, may make recommendations in their capacity as a brokerage representative that you purchase securities in a brokerage account for which you will pay a commission. Your Financial Advisor will disclose any commission he or she will earn on these sales and will compare that cost to what he or she estimates it would cost you to hold the investment in your advisory account over time. Although cost is always a consideration when determining

if a purchase is in your best interest, it is not the only factor. Your advisor will present his or her reasons to you verbally at the time of the recommendation or in writing on the firm's disclosure forms signed by you.

In this Brochure, when RIA describes a service or process, it is speaking solely to RIA's service or process when providing investment advice under an advisory agreement. This Brochure does not speak to the services and processes of its affiliated broker-dealer REI. This Brochure does not describe services provided by your Financial Advisor when he or she is serving you as a general securities representative of REI.

INVESTMENT ADVICE

Our Financial Advisors provide advice that is tailored to the individual needs of the client based on the financial information and the investment objective(s) communicated by the client. Clients may impose restrictions on investing in certain securities or groups of securities by notifying the Financial Advisor in writing (including in the Investment Advisory Agreement). Clients' proposed restrictions may or may not be accepted by Realta.

PORTFOLIO MANAGEMENT SERVICES -- WRAP FEE PROGRAMS VERSUS TRADITIONAL MANAGEMENT PROGRAMS

Some of our Financial Advisors participate in "wrap fee" programs, by providing portfolio management services. Under a wrap fee program, advisory services and transaction services are provided for one fee. This is different from a traditional management program whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis. For these accounts, depending upon the platform or program, Realta Investment Advisors, its Financial Advisors, the Custodian, or another third-party may:

- Assist clients in the identification of investment needs and objectives.
- Develop an investment policy and/or asset allocation strategy designed to meet the client's objectives.
- Recommend specific investment style and asset allocation strategies.
- Evaluate Money Managers and investment vehicles meeting style and allocation criteria.
- Negotiate fees to be paid to Money Managers.
- Assist in identification of appropriate Money Managers and investment vehicles suitable to the client's goals.
- Manage client assets directly, eliminating the necessity for a Money Manager.
- Assist in identification of a RIA Financial Advisor to manage client assets.
- Engage selected Money Managers and investment vehicles on behalf of the client.
- Perform ongoing monitoring and due diligence of an individual Money Manager's performance and management.
- Review the client's account for adherence to objectives, policy guidelines, and/or asset allocation on a periodic basis.
- Recommend reallocation among Money Managers or styles within the program.
- Hire or fire Money Managers utilized by clients.
- Provide reporting to the client regarding the performance of his/her/its account.

RIA and the Financial Advisor each receive a portion of the wrap fee for their services. Wrap fee programs may be more expensive than traditional programs that charge transactional fees, dependent upon the number of transactions you anticipate in your account. Consult your Financial Advisor for which program is best suited for your needs.

ADVISORY SERVICES

RIA provides its clients with investment management and consulting services in connection with programs we developed and through programs sponsored by Wells Fargo Advisors (Wells Fargo). We also provide asset management programs through arrangements with third-party managers such as EnvestNet Asset Management Inc. (EnvestNet), AssetMark, Inc. (AssetMark) and SEI Investment Management Corp (SEI).

Wells Fargo

In November 2016, First Clearing, LLC merged and consolidated its operations into Wells Fargo Advisors, LLC. The resulting firm is now known as Wells Fargo Clearing Services, LLC (WFCS), Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company. WFCS operates its brokerage and advisory business under the trade name "Wells Fargo Advisors." First Clearing is also a trade name used by WFCS when carrying customer accounts and acting as custodian for funds and securities deposited through introducing firms such as REI or as a result of transactions it processes for customer accounts.

If you open an account through a program sponsored by Wells Fargo, you will receive the applicable program disclosure brochure prepared and distributed by Wells Fargo.

First Clearing is the trade name used by Wells Fargo for clearing and custodial services of our Affiliate Broker-Dealer (Realta Equities, Inc. or REI) and therefore the decision to use Wells Fargo sponsored programs is a main factor in also recommending First Clearing and vice-versa. This affiliation presents a conflict of interest in that RIA is incented to refer accounts to programs sponsored by RIA or Wells Fargo because the assets will be maintained with its affiliate or affiliate's clearing firm, which provides direct and indirect income to REI. The Firm mitigates this conflict by disclosing this conflict of interest in this Brochure and by periodically monitoring account activity and best execution. In addition, the firm believes it enjoys lower costs and efficiencies in utilizing its affiliate BD in such fashion. Regardless, clients are encouraged to discuss programs at other qualified custodians with their Financial Advisor to determine the most suitable option in this regard.

Programs offered by us that are sponsored by Wells Fargo include:

- Private Investment Management
- Asset Advisor (Non-Discretionary)
- Allocation Advisors
- Masters
- Personalized Unified Managed Account
- Wells Fargo Compass
- Private Advisor Network
- CustomChoice
- FundSource and Pathways.

While you may be solicited to establish an account through any of the programs described in this document, not all programs offered are suitable for you. Therefore, your Financial Advisor must analyze your financial situation to recommend a program or service that is suitable for you. Further, it should be noted while you receive individualized treatment from your Financial Advisor, if you have an account managed by us (i.e. the RIA Financial Advisor is responsible for selecting underlying portfolio holdings within client accounts) you will receive more personalized RIA treatment than if your account is managed by selected third-party money managers (i.e. the selected money manager is responsible for selecting underlying portfolio holdings within client accounts).

RIA Financial Advisor Managed Programs Sponsored by Wells Fargo

PRIVATE INVESTMENT MANAGEMENT (PIM) AND ASSET ADVISOR PROGRAMS

RIA participates in the Private Investment Management (PIM) and Asset Advisor programs sponsored by Wells Fargo. PIM and Asset Advisor are wrap-fee programs, so they do not bill transaction costs separately from the overall management fee, provided that the number of transactions per calendar year does not exceed 120.

The cost for additional transactions will be billed directly to your account; however, the Financial Advisor (at his or her sole discretion) may elect (but is not obligated) to pay these fees rather than pass them through to you. Both programs allow the RIA Financial Advisor to provide on-going supervision and management services. PIM is an Advisor Directed program whereas Asset Advisor is a Client Directed program. All client accounts through the PIM and Asset Advisor programs must be established through First Clearing.

The description provided in this section regarding the Wells Fargo sponsored programs we manage is intended to provide you with a brief summary of each program. Wells Fargo will provide you with a full description and disclosure document at the time you establish an account through either the PIM or Asset Advisor programs. Please note that some restrictions Wells Fargo places on PIM accounts for its own clients are not necessarily applicable to RIA clients, such as the ability to include certain types of securities (such as low-priced stocks or concentrated positions) in the account.

Third-Party Money Manager Programs – Separate Account Manager Programs Sponsored by Wells Fargo

RIA participates in separate account manager programs sponsored by Wells Fargo. Through these programs, RIA Financial Advisors assist you in allocating your assets among one or more third-party money managers. Currently, we participate in the following Wells Fargo sponsored wrap-fee programs:

- Allocation Advisors
- Masters
- Wells Fargo Compass, and
- Private Advisor Network

RIA also participates in the Private Advisor Network Investment Consulting Service (Network) platform, a program sponsored by Wells Fargo. Under the Masters and Network programs, RIA Financial Advisors assist you in determining and selecting third-party money managers who will be provided discretionary authority to select investment options to manage your assets. Under the Allocation Advisors and Compass programs, the Wells Fargo Advisory Services Group will be provided discretionary authority as it serves as the third-party money manager.

Through the Masters program, RIA Financial Advisors may be provided discretionary authority to select and remove underlying third-party money managers. Under this type of arrangement, your RIA Financial Advisor does not have to receive your authorization to add or remove a money manager. When you do not grant discretionary authorization to select and remove third-party money managers, you must provide us and the custodian, i.e. First Clearing, with written instructions to add or change a money manager.

The description provided in this section regarding the Wells Fargo sponsored programs we manage is intended to provide you with a brief summary of each program. Wells Fargo will provide you with a full description and disclosure document at the time you establish an account through any of the programs. In addition, you will receive a copy of all third-party money managers who manage your assets. Only third-party money managers that are registered as investment advisers or are exempt from investment adviser registration will be recommended.

Mutual Fund Wrap-Fee Programs Sponsored by Wells Fargo

RIA participates in two mutual fund wrap-fee programs sponsored and administered by Wells Fargo:

- CustomChoice
- FundSource and Pathways.

CustomChoice is a non-discretionary client directed mutual fund wrap program. You must execute the *CustomChoice Client Agreement* to participate in this program. Accounts through this program are managed by us on a non-discretionary basis. There are approximately 5,000 no-load, load waived, and institutional share class mutual funds from which to choose. You must approve all implementation decisions made through this program.

FundSource is a discretionary mutual fund wrap program based on Wells Fargo research-driven Optimal Blends or Customized Blends. You must execute the *FundSource Program Agreement* to participate in this program. All assets are managed by Wells Fargo who is given discretionary authority to implement changes within your account based on your individualized situation and based on information provided by you to your Financial Advisor. Portfolios are comprised of mutual funds selected by Wells Fargo.

Before May 2011, Pathways was a stand-alone advisory program offered by Wells Fargo. Pathways is now an asset allocation option within the FundSource Program that allows you to allocate assets among mutual fund portfolios (Pathways Funds) which are administered by Russell Investment Company (Russell). Russell will provide a selection of optimal blends of model investment portfolios or accept instructions from you with respect to a custom blend in various funds that are operated and administered by Russell, based on its evaluation of your financial goals, circumstances and risk tolerances. Russell is responsible for evaluating and retaining one or more investment management organizations to manage each Pathways Fund. The portfolios are designed for a specific investor. You must execute the *Pathways Program Agreement* to participate in this program.

We are not related to Russell, and Wells Fargo and Russell are not related entities. A portion of the fee charged for Pathways is paid to Russell for its investment advisory services.

We provide you with consulting services when selecting optimal blend mutual fund portfolios constructed by Wells Fargo for the FundSource program and by Russell for the Pathways program. You may also create your own customized mutual fund portfolio blend.

The description provided in this section regarding the Wells Fargo sponsored programs we manage is intended to provide you with a brief summary of each program. Wells Fargo will provide you with a full description and disclosure document at the time you establish an account through any of the programs. Pathway's clients will also receive all necessary disclosure documents relating to Russell.

REALTA INVESTMENT ADVISOR REPRESENTATIVE MANAGED PROGRAMS SPONSORED BY RIA

Each program described in this section requires that we enter into an advisory agreement together for services to be provided. Either of us may end the agreement by providing notice to the other party. In the event you end our services (in writing, pursuant to the advisory agreement), we will terminate the agreement effective with your notification. We may end our services by providing you with written notice. There are other events which may constitute constructive termination of your agreement – please consult your advisory agreement for more details about termination.

RIA generally requires using First Clearing as the qualified custodian and clearing broker/dealer for all client accounts established within the Adviser as Portfolio Manager Program (APM). The conflicts discussed above are equally applicable to these programs and mitigated in the same fashion.

ADVISER AS PORTFOLIO MANAGER PROGRAM (APM)

In the APM program, your adviser will engage you in a traditional advisory relationship, where you pay a fee on assets under management, but also incur ticket charges for trades. The cost for transactions will be billed directly

to your account; however, the Financial Advisor (at his or her sole discretion) may elect (but is not obligated) to pay these fees rather than pass them through to you. This program allows the RIA Financial Advisor to provide personalized on-going supervision and management services over your account(s) in the program. APM is an Advisor Directed program. Client accounts are usually established through First Clearing, however the APM program is flexible in that your adviser may recommend other custodians approved by RIA if it is in the best interest of the client. Your adviser may also choose to engage and enroll you in a third-party money manager's program directly or through a service such as Envestnet, AssetMark, or SEI. Further information about their services and programs are disclosed in their ADV Disclosure Brochure.

FINANCIAL PLANNING SERVICES

Realta Investment Advisors may provide financial planning to clients. Financial planning services are offered on a comprehensive or à la carte (limited focus) basis. Financial plans may encompass all or some of the following areas of financial concern to the client:

- Estate Planning Goals
- Retirement Planning
- Education Planning
- Insurance Planning/Risk Management
- Investments
- Asset Allocation Review and Recommendations

The Financial Advisor obtains appropriate information from the client through personal interviews (including a discussion of current financial status, future goals, and attitude towards risk) and reviews the documents and data supplied by the client. A written financial plan may be prepared and provided. The implementation of financial plan recommendations is entirely at the discretion of the client. Financial plans are not limited in any way to products or services provided by any particular company. However, in general, only products and services that Realta Investment Advisors is able to provide will be offered.

ADVISORY SERVICES TO RETIREMENT PLANS AND PLAN PARTICIPANTS CONTRACTED BY PLAN SPONSOR

RIA offers various levels of advisory and consulting services to employee benefit plans and/or to the participants of such plans ("Participants"). The services are designed to assist plan sponsors ("Plan Sponsors") in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act ("ERISA") and the Pension Protection Act of 2006 ("PPA"). Generally, investment advice provided to Plan Sponsors and Participants is regulated under ERISA and the PPA. We will provide a set of services to Plan Sponsors and their Participants which may include all or some of the offerings described below. Plan Sponsors must make the ultimate decision to retain us for pension consulting and other advisory services including services at the participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan. The following services are provided for general informational purposes. Not all clients contracting for retirement plan services will receive every level of service described below. The exact scope and types of services provided will be agreed upon with each client and listed in the client agreement.

The services provided to employee benefit plans ("the Plan") and their Plan Sponsors may include the following:

Investment Policy Statement. RIA may assist with the drafting and adoption of an Investment Policy Statement (IPS) for each Plan.

Cash Flow Analysis. RIA may assist the Plan's oversight committees with the review of the quarterly cash flow analysis as provided by the plan provider.

Selection of Qualified Default Investment Alternative. RIA may recommend to the client an investment fund product or model portfolio meeting the definition of a “Qualified Default Investment Alternative” (“QDIA”) in ERISA Regulation 2550.404c-5(e)(3). The QDIA shall be reflected in the IPS.

Investment Performance Monitoring or Analysis. RIA may assist the Plan’s oversight committees with the review of the quarterly investment performance of the Plan’s investment options. Under applicable circumstances, RIA will monitor the appropriateness and continued suitability of each of the investments with a view to complying with the “broad range” requirement under ERISA Section 404(c).

Asset Allocation Analysis. RIA may assist the Plan’s oversight committees with the review of the quarterly asset allocation analysis as provided by the Plan provider.

Performance Reports. RIA may prepare reports evaluating the performance of the Plan’s investment manager(s) or investments, as the case may be, as well as comparing the performance thereof to benchmarks set forth in the IPS. The information used to generate the reports will be derived from statements provided by the client.

Education Services to Plan Committee. RIA may provide training for the members of the Plan Committee with regard to their service on the committee, including guidance with respect to fiduciary duties.

Participant Education Services. RIA may conduct in-person, group sessions and provide printed educational materials (which may include posters, payroll stuffers, and emails) to Participants, providing information to them about the investment options under the Plan and providing information on how to complete plan enrollment paperwork. Services provided under an “Eligible Investment Advice Arrangement,” as defined under the PPA, shall be governed by a separate agreement.

Expense Analysis. RIA may assist the Plan’s oversight committees with the review of the investment expense characteristics for each of the investment options.

Investment Structural Analysis. RIA may assist the Plan’s oversight committees with the review of the Investment Structural Analysis for each of the investment options.

Third Party Product or Service. Advisory services provided to retirement plans may be solely provided by Financial Advisors, or in combination with third parties and their retirement plan services. RIA may use the product or service offered by a third party in providing services to a client and the Plan.

Plan Search Support. RIA may manage the preparation, distribution, and evaluation of Request For Proposals, finalist interviews, and conversion support.

Additional Services. Services as agreed upon by RIA and client.

Services for Plan Participants. Plan Sponsors retain RIA and its Financial Advisors to provide services to Participants pursuant to an “eligible investment advice arrangement,” as defined under the PPA. The scope of the services and fees are established and approved in advance by the Plan Sponsor and shall be clearly set forth in the executed agreement for services.

Financial Advisors will meet with individual Participants to collect pertinent information regarding their financial circumstances and investment objectives. Financial Advisors will then deliver advice either by:

- providing direct investment advisory services to the Participant (in which case the RIA fee will not vary based on the advice given to the Participant)
- generating portfolio recommendations for a Participant based on an unbiased computer model that has been certified and audited by an independent third party.

ADVISORY SERVICES TO RETIREMENT PLAN PARTICIPANTS NOT CONTRACTED BY PLAN SPONSOR

Participants also directly retain RIA and its Financial Advisors to provide direct advisory services by executing a Realta Investment Advisors Investment Advisory Agreement. The services and fees are set forth in the executed agreement and approved by participant in lieu of the plan sponsor. Participants may elect to roll-over retirement plan assets to an individual account at RIA under the same Financial Advisor who provided advisory services while those assets were maintained within the original qualified plan.

SUB-ADVISORS

RIA, at times, engages other registered investment advisors to assist with advisory services to its clients. In this case, RIA will enter into a sub-advisory agreement with these sub-advisors. In these cases, RIA will be acting as the Registered Investment Advisor and the client will be paying the combined investment advisory fees to RIA. RIA will then use the payment of the combined fee to pay its sub-advisor.

PROGRAM CHOICE DISCLOSURES

The specific advisory program selected by the client may cost the client more or less than purchasing program services separately. Factors that bear upon the cost of a particular advisory program in relation to the cost of the same services purchased separately include, but may not be limited to, the type and size of the account, the historical or expected size or number of trades for the account, the types of securities and strategies involved, and the number and range of supplementary advisory and client-related services provided to the account. Investment recommendations and advice offered by RIA and its advisors do not constitute legal, tax, or accounting advice. Clients should coordinate and discuss the impact of the financial advice they receive from a RIA advisor with their attorney and accountant. Clients should also inform their advisor promptly of any changes in their financial situation, investment goals, needs, or objectives. Failure to notify the advisor of any material changes could result in investment advice not meeting the changing needs of the client. In some cases, an independent investment advisor may engage the investment advisory services of a RIA advisor to manage a portion of the investment advisor's client accounts.

PROGRAM CHOICE CONFLICTS OF INTEREST

Clients should be aware that the compensation to RIA, its affiliates, and your advisor will differ according to the specific advisory program chosen. This compensation to RIA, its affiliates, and your advisor may be more than the amounts we would otherwise receive if you participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the differences in fee schedules and other sources of compensation that exist among the various advisory programs and services offered by RIA and your advisor, we have a financial incentive to recommend a particular program or service over other programs or services available through RIA.

REGULATORY ASSETS UNDER MANAGEMENT

As of December 31, 2022, Realta Investment Advisors had discretionary assets under management of approximately \$670,588,410. The firm has \$110,145,861 non-discretionary assets under management.

Item 5 – Fees and Compensation

FEES FOR INVESTMENT ADVICE

Realta Investment Advisors and/or its Financial Advisors are generally compensated for investment advice by a percentage of the client's assets under the Financial Advisor's management. Advisory fees vary according to the

program, but are charged monthly or quarterly in advance, although some legacy clients or certain managed programs may be subject to a different arrangement such as charges in arrears versus in advance.

These fees are negotiable at the sole discretion of the Firm or Financial Advisor, but fees shall not exceed the applicable program's Fee Schedule. The fee to be charged each client will be stipulated within each client's advisory agreement with Realta Investment Advisors, or in some instances with the Program Manager's Agreement (e.g. Wells Fargo programs) and applies to all of the assets within the portfolio or household (as defined in the agreement). Certain clients, as described within a client's advisory agreement, may be billed in an "all-inclusive" manner. In such instances, Realta Investment Advisors will assess one fee that captures the management, brokerage, and administrative portions collectively.

Fees are payable monthly or quarterly depending upon the program; the applicable annual percentage fee is divided by twelve or four as applicable. Assets included in clients' margin balances are included when calculating Realta Investment Advisors' fees; clients should note that they may already be paying margin interest on these same assets. Fee breakpoints are not retroactive to the breakpoint's previous level. For example, an account valued at \$3,500,000.00 would pay, under a fee schedule with a breakpoint at \$2,500,000, 2.5% (for example) on the first \$2,499,999.99 and would pay 1.75% (for example) on the remaining \$1,000,000.01. Depending on the program, your fee may be adjusted based on deposits and withdrawals. For more specific billing policies, see the Wrap disclosure for the specific program, or the section on Advisor as Portfolio Manager in this section. Fees are deducted from the client's assets, or, at the client's request, RIA may bill for fees incurred. Requests for the latter may be accepted or declined in RIA's sole discretion. Fees for assets in taxable accounts may not be deducted from qualified accounts.

If a client engages a RIA Financial Advisor other than the client's Financial Advisor, or where a client's Financial Advisor has discretion to engage a RIA Financial Advisor and exercises that discretion to manage client assets, the total fee paid by the client will be allocated between the client's Financial Advisor and any other Financial Advisor so engaged. The total fee paid may be higher than the fee otherwise would be by hiring another advisor directly.

PORTFOLIO MANAGEMENT SERVICES -- WRAP PROGRAM FEES.

Under these programs, an annual fee is negotiated between Realta Investment Advisors and its clients, typically ranging from 0.20% to 2.5%. The total fee clients will pay typically includes Realta Investment Advisors' fee and the platform or program fee charged by the Custodian or other third party administering the platform or program, and/or the Money Managers; for certain programs, the fees charged by the Custodian or administrator of the platform or program are separate from Realta Investment Advisors' fee. Under many of these platforms and programs, there are no separate commissions or transaction costs charged to clients, unless the program's maximum trade limit has been exceeded, in which case a ticket charge will be charged for each transaction over the limit defined in the program. In addition, many of these platforms and programs do not charge separate administrative, custodial, or reporting fees. Such an "all-inclusive" or "bundled" fee structure is often otherwise referred to as a "wrap fee."

Certain platforms charge an "unbundled" fee, meaning fees for execution, custodial, reporting, and/or administrative services are not combined with the Money Manager fees and/or Realta Investment Advisors' fees. Also, certain platforms will charge execution costs in the form of an asset-based fee. Depending upon the platform selected, there may not be an option for "householding" accounts for fee discounts.

In all cases, clients should carefully review each Disclosure Document maintained by Money Managers that have been selected to manage their assets, as well as the Disclosure Document for each wrap fee program that they participate in, for complete details on the charges and fees clients will incur. Such additional Disclosure Documents, as applicable, will be provided to clients by Realta Investment Advisors' Financial Advisor.

The fees clients pay the Money Manager and Realta Investment Advisors may be shown on clients' custodial statements as one gross fee or in some cases, may be listed as separate fees. Additionally, clients may request that fees be broken out. In this case, the client will make this request on the client advisory agreement and will see two to three separate charges depending on the custodial reporting requirements. Some platforms and programs may require an additional advisory agreement with clients in addition to the agreement clients execute with Realta Investment Advisors. Similarly, certain platforms and programs may require clients to complete brokerage account documents necessary to open new brokerage accounts. Access to certain Money Managers, platforms, and programs may be limited to certain types of accounts and may be subject to account minimums, which will vary and may be negotiable depending upon the Money Managers, platforms, and programs selected. Certain platforms and programs administered by Realta Investment Advisors and/or made available to clients by Realta Investment Advisors' Financial Advisors may be available through other independent investment advisors, and in certain instances, directly via the Custodian or other third-party administering the platform or program. In addition, clients may be able to access certain Money Managers directly. As such, clients may be able to access such Money Managers, platforms, and programs at a lower cost through other channels. Further, it may be possible for a client to access Money Managers directly or through other platforms or programs for an "unbundled" fee that is lower than the "bundled" fee that is available through Realta Investment Advisors' Financial Advisors.

Private Investment Management (PIM) Program Fees

Annual fees charged under these programs are billed quarterly in advance and are deducted directly from your accounts. The portion of these fees payable to your financial advisor are negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. The maximum annual fee charged in PIM equity and fixed income accounts shall not exceed 3.00% annually. Minimum account size is \$50,000.00, and minimum Program Fee is \$250.00 per quarter. Fees charged on accounts are negotiable.

PIM's management fee includes up to 120 transactions per calendar year. The cost for additional transactions will be billed directly to your account; however, the investment advisor representative (at his sole discretion) may elect (but is not obligated) to pay these fees rather than pass them through to you for certain account types other than ERISA and IRA accounts. Costs for transactions greater than 120 per calendar year are priced and charged at RIA's cost.

Asset Advisor Program Fees

The maximum annual fee charged in Asset Advisor accounts shall not exceed 3.00% annually. Minimum account size is \$25,000.00 and minimum Program Fee is \$125 per quarter. The portion of these fees payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management.

Asset Advisor's management fee includes up to 120 transactions per calendar year. The cost for additional transactions will be billed directly to your account; however, the investment advisor representative (at his sole discretion) may elect (but is not obligated) to pay these fees rather than pass them through to you for certain account types.

Personalized Unified Managed Account (Personalized UMA) Fees

Annual fees charged under these programs are billed quarterly in advance and deducted directly from your account. The portion of these fees payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management.

The annualized fee charged under the **Allocation Advisors Program** is 2.25%. There is a minimum quarterly client fee of \$125. If you select a Portfolio developed by an unaffiliated investment adviser, the investment adviser will be compensated from 0.05% - 0.20% annually. The portion of these fees payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management.

The annualized fee charged under the **Masters Program** is 2.5%. There is a minimum quarterly fee of \$375. This fee includes a portion directed to the money managers which typically ranges between 0.05% to 0.65% annually based on total aggregate client dollars with each adviser. The portion of these fees payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management.

The annualized fee charged under the **Wells Fargo Compass Advisory Program** is 2.25%. There is a minimum quarterly client fee of \$250. The portion of this fee payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management.

Private Advisor Network (Network) Fees

Wells Fargo offers a choice of two options to compensate for Private Advisor Network services. The two options are (1) payment of a fee for Private Advisor Network services and execution charges or (2) an execution schedule for services and execution charges. The annualized fee charged under the Private Advisor Network, is 2.05%. There is a minimum quarterly fee requirement of \$375.00. Fees charged by money managers selected under the Network program are billed and collected separately from the annual fee retained by us. The portion of these fees payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. Under the Execution Schedule, you pay for Private Advisor Network services by paying commissions for each transaction in the account at the normal commission rate for such agency transactions and at the normal markup or markdown imposed on your accounts for principal transactions. You are also subject to any other fees associated with standard brokerage accounts, including postage and handling fees, transfer taxes, exchange fees, and any other fees required by law. In addition, if household assets are less than \$250,000, you will be subject to Wells Fargo's annual account fee. Neither the Execution Schedule nor Program Fee includes the advisory fees of the third-party investment manager. You pay for the services of your investment adviser separately.

CustomChoice, FundSource and Pathways Program Fees

Fees charged under these three programs are billed quarterly in advance and are deducted directly from your account. The portion of this fee payable to your financial advisor is negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. There is a minimum Program Fee of \$75 per quarter, with the exception of the Foundations model series, which will be charged a minimum Program Fee of \$37.50 per quarter due to the lower initial investment minimum.

The standard fee schedule under each of the CustomChoice, FundSource and Pathways Programs is 2%.

REALTA INVESTMENT ADVISOR REPRESENTATIVE MANAGED PROGRAMS SPONSORED BY RIA

Advisor as Portfolio Manager (APM) Program Fees

Annual fees charged under the APM program are billed monthly in advance and usually deducted directly from your Account. Fees are negotiable, and the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. The maximum annual fee charged for APM program accounts shall not exceed 3.00% annually, and the minimum annual fee is \$250. The initial fee for the first month (or part thereof) in which you participate in the APM Program shall be calculated on the day after your initial assets are placed into the Program and then debited the first day of the new month afterward. The initial fee for any partial month is pro-rated based on the number of calendar days in the partial month. Thereafter, the Program fee is calculated and collected for the current month based on the value of Program assets as of the last business day of the prior month, net of any excluded assets. The fee for each month will equal (on an annualized basis) the percentage set forth in the Fee Schedule. If you terminate your participation in and/or withdraw all assets from the Program prior to the end of a month, the pro-rata portion of the Program Fee will be reimbursed to you.

The cost for transactions will be billed directly to your account; however, the investment advisor representative (at his sole discretion) may elect (but is not obligated) to pay these fees rather than pass them through to you for certain account types other than ERISA and IRA accounts.

InvestNet Separately Managed Account (SMA) Program Fees

Annual fees charged under the SMA program are billed monthly in advance and usually deducted directly from your Account. When fees are negotiable, the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. The maximum annual fee charged for SMA program accounts shall not exceed 3.00% annually, and the minimum annual fee is \$600.

The initial fee for the first month (or part thereof) in which you participate in the SMA Program shall be calculated on the day after your initial assets are placed into the Program and then debited the first day of the new month afterward. The initial fee for any partial month is pro-rated based on the number of calendar days in the partial month. Thereafter, the Program fee is calculated and collected for the current month based on the value of Program assets as of the last business day of the prior month, net of any excluded assets. The fee for each month will equal (on an annualized basis) the percentage set forth in the Fee Schedule. If you terminate your participation in and/or withdraw all assets from the Program prior to the end of a month, the pro-rata portion of the Program fee will be reimbursed to you.

InvestNet Unified Managed Account (UMA) Program Fees

Annual fees charged under the UMA program are billed monthly in advance and usually deducted directly from your Account. When fees are negotiable, the negotiating factors include the complexity of your financial situation, securities positions held in the account, and the amount of assets under management. The maximum annual fee charged for UMA program accounts shall not exceed 3.00% annually, and the minimum annual fee is \$675.

The initial fee for the first month (or part thereof) in which you participate in the UMA Program shall be calculated on the day after your initial assets are placed into the Program and then debited the first day of the new month afterward. The initial fee for any partial month is pro-rated based on the number of calendar days in the partial month. Thereafter, the Program fee is calculated and collected for the current month based on the value of Program assets as of the last business day of the prior month, net of any excluded assets. The fee

for each month will equal (on an annualized basis) the percentage set forth in the Fee Schedule. If you terminate your participation in and/or withdraw all assets from the Program prior to the end of a month, the pro-rata portion of the Program fee will be reimbursed to you.

FEES FOR FINANCIAL PLANNING SERVICES

Fees are negotiated between the Financial Advisor and the client on a case-by-case basis. They may be charged on an hourly or fixed fee basis. Once determined, the fee arrangement is set forth in the Client Agreement with Realta Investment Advisors.

Hourly Fees. Hourly rates range from \$60 to \$400 per hour based upon the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Hourly fees will be billed monthly as the work is provided (in arrears).

Fixed Fees. Fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested (that goes beyond the original scope of the project), it may be billed on an hourly basis or a fixed price basis as negotiated. Fixed fees will be invoiced monthly or quarterly depending upon the negotiated agreement with the client and the anticipated delivery of the plan. Other limited planning services are billed monthly. In addition, some or all of the financial planning fees may be included in the investment management fees agreed upon by clients and their Financial Advisor. Financial planning is not always billed separately. Total costs for financial plans, whether per hour or on a fixed basis, may range from as little as \$500 to as much as \$5,000 or more. There is no "typical" plan, as services are customized to the particular needs of the client; thus there is a wide range of fees that may be imposed. Should a contract be terminated prior to the service being delivered, Realta Investment Advisors will bill for work completed. In the case of prepayment of fees, the prorated refund will be based upon the hourly rate of the individuals who provided services.

RETIREMENT PLANS AND PLAN PARTICIPANTS ADVISORY SERVICE FEES

Fees for Advisory Services to Retirement Plans and Plan Participants are charged on either a 1) flat fee basis, 2) percentage of a plan's assets, or 3) on a combination of these methods, as agreed to between RIA and the Plan Sponsor. The exact fee charged will depend on the variables, such as the number of participants, the amount of assets in the Plan, the complexity of the situation, the location of the client, and the advisory representative providing services. In the event fees are charged based on the percentage of the Plan assets, the maximum fee charged will not exceed 2.00% annually. The fee charged for reviewing individual Participant accounts is contingent upon the amount of assets held within the accounts being reviewed and the number of accounts being reviewed. In the event fees are charged based on the percentage of the Participant's Plan assets, the maximum fee charged will not exceed 2.00% annually. Participant fees may be paid by the Participant or the Plan Sponsor depending on the agreement between the Plan Sponsor and RIA. Services may be provided on a one-time or on-going basis. Upon execution of a client agreement, the client will have five (5) business days to end services with no penalty (i.e. no fees due or refund of any fees paid in advance). The annual fee may be divided and collected monthly, quarterly, or semi-annually depending on the agreement. In the event the entire annual fee is collected in advance, the fee will be considered earned when paid. In these cases, RIA does not provide a refund if the service is ended after the initial five (5) day period.

The exact fee charged, and the billing arrangements will be agreed upon before commencing services. The fee and fee arrangements will be detailed in the client agreement.

Clients shall also incur certain charges imposed by third parties other than us in connection with investments made through a Plan, which are not included in the fee paid to RIA.

SUB-ADVISORS

Sub-advisory fees will be paid by RIA from the fees collected from clients. This fee is calculated as a percentage of assets under management as described in the sub-advisory agreement between RIA and the sub-advisor, unless mutually agreed otherwise by RIA and the client. When clients have all or a portion of their assets managed by a sub-advisor, the total advisory fee (our fee plus sub-advisors' fees) shall not exceed 3.00% of the assets under management annually.

GENERAL INFORMATION ON ADVISORY SERVICES AND FEES

Fee Differentials. As indicated above, RIA may price its services based upon assets under management or other subjective factors, and fees and costs, such as ticket charges, are typically set or negotiated by each Financial Advisor, subject to our maximum fees and fee schedules set forth above. As a result, any RIA client could pay fees and costs that are higher or lower than the fees and costs charged to other RIA clients, based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by RIA to any particular client could be available from other advisers at lower fees and costs. All clients and prospective clients should be guided accordingly.

In addition, the advisory programs available to our advisors vary in cost. Therefore, an advisor has incentive to recommend a program with a lower cost than others so that his or her net advisory fee will be greater, even if there is a more expensive program that is better suited for your investment profile. This presents a conflict of interest and you should ask your advisor questions about the various programs available to you in this brochure to ensure you are placed in a program suitable to your needs.

Termination. All advisory agreements may be terminated upon written notification by either party at any time, unless stated otherwise in your written advisory agreement. Upon termination, clients will receive refunds of the prepaid and unearned advisory fees (prorated for the balance of the month, if needed). If services have been provided, and are therefore due and payable, clients will receive an invoice with the amount due. Any transactional or custodial charges levied by the custodian after the termination of Realta Investment Advisors' advisory agreement will be the client's responsibility and not the responsibility of Realta Investment Advisors. Realta Investment Advisors has no obligation to refund these fees to its clients.

Calculation of Fees. RIA Advisory fees are billed in advance based upon the market value of clients' account(s) at the close of the prior month. Some platforms and programs charge fees in arrears, and some in advance. These are outlined in the applicable program's Disclosure Document. Each client's billing specifics and election (where applicable) are listed in its client advisory agreement. If you or your FA consider holding cash or cash equivalents in your account for a material duration, you should consider moving the cash out of the account until you are ready to invest it.

Additional Costs.

Mutual Funds: All fees paid to Realta Investment Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund

expenses, and a possible distribution fee. Clients should review such additional fees and the fees Realta Investment Advisors charges to understand the total amount of fees paid, as investments in mutual funds may be made by clients, independent of and without the services provided by Realta Investment Advisors. Although Realta Investment Advisors' Financial Advisors generally recommend and purchase only no-load or load-waived mutual funds for client advisory accounts, some funds may impose an initial or deferred sales charge. Clients may also own some of these funds when they transfer their account(s) to Realta Investment Advisors.

Mutual fund families may offer different share classes. RIA and its Financial Advisors will select the share class that is in the best interest of the client. Depending upon share class, Realta Investment Advisors may participate indirectly in the sales charges imposed by mutual funds through its affiliated broker/dealer, Realta Equities, Inc. REI will receive 12b-1 fees in connection with certain mutual fund share classes purchased for clients' accounts, including certain money market funds. These fees will not offset advisory fees paid by clients to Realta Investment Advisors. If a less expensive share class is available from the fund family, RIA and its Financial Advisors will purchase that share class. If no such share class is available from the fund family, or if the investor account is not eligible for a less expensive share class, then RIA and its Financial Advisor will purchase the available share class and the firm's affiliate will receive the 12b-1 fees. Neither RIA nor REI approve products or share classes on the basis of whether 12b-1 fees or like compensation is paid to the firm or its Advisors. Neither REI nor RIA incent Financial Advisors to purchase products or share classes on the basis of 12b-1 fee availability in any fashion, including sales contests, production bonuses, or differential compensation based upon product class.

Some of the Wells Fargo Advisory products will credit 12b-1 fees received to the client account.

Alternative Investments: Virtually all investments purchased by prospectus or private placement memorandum have internal fees that are borne by the client in addition to any trading, execution, or Realta Investment Advisors advisory fees. When such products are purchased through RIA's affiliate broker-dealer, it (the broker-dealer) will receive direct or indirect compensation on such products sold through it including sales concessions, marketing fees, expense reimbursement for educational compliance and due diligence, and/or sales conference sponsorships. RIA receives indirect benefit from the same education compliance and due diligence reimbursements paid for its financial advisors' attendance, as well as for conference sponsorships. Realta Investment Advisors is not compensated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of any client. Receipt of such compensation by RIA's affiliate creates a conflict of interest to recommend products offered by its affiliate. Since Realta Investment Advisors leverages the product due diligence of its affiliate, Realta Equities, Inc. (REI,) RIA only approves alternative investments approved by REI. REI requires prospective alternative investment sponsors to pay a due diligence fee and sign a selling agreement with REI, which generates additional compensation for REI. Further, REI/RIA solicits product sponsors to pay for the firm's annual compliance conference in exchange for such sponsors gaining preferential access to RIA's financial advisors. The firm mitigates this risk by waiving sales concessions on such products when possible, whereas purchasing the same investment from a third-party broker dealer would cost the client a commission or fee. For example, REI does not waive sales concessions. The firm further mitigates this conflict by requiring pre-approval of each recommendation on a transaction-by-transaction basis by a supervisor of the firm prior to purchase to ensure suitability for the specific client.

Realta Investment Advisors offers no economic incentives to the investment adviser to recommend or purchase certain products over others in your advisory account, however, many of RIA's Financial Advisors are dually registered as general securities representatives of its affiliated broker-dealer, Realta Equities, Inc. (REI). As such, those representatives ("Financial Advisors") may recommend an investment as part of your advisory relationship and charge a fixed annual fee as described in this brochure and pursuant to your advisory agreement, or, if it is in your best interest, may make recommendations in their capacity as a brokerage

representative that you purchase securities in a brokerage account, for which you will pay a commission. Your Financial Advisor will disclose any commission he or she will earn on these sales, and will compare that cost to what he or she estimates it would cost you to hold the investment in your advisory account over time. Although cost is always a consideration when determining if a purchase is in your best interest, it is not the only factor. Your advisor will present his or her reasons to you verbally or in writing at the time of the recommendation.

Held Away Investment Management Fees: If you elect to use the FeeX platform to manage certain held away assets, you will be charged an additional 0.25% annually of the assets under management through that platform. The fee is billed quarterly in advance and is calculated using the previous quarter-end account value. The fee is initially charged to RIA, and RIA will then deduct the fee from your taxable brokerage account indicated on your Investment Advisory Agreement. You will be charged a prorated amount when the platform is instituted mid-quarter and you will be refunded if you and your advisor cease use of the platform before quarter-end. This charge is in addition to the fee charged by your financial advisor. Not all types of investments are available to be managed through the FeeX platform.

Other Account Fees: The fee does not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, ADR custodial pass-through fees, foreign financial transaction taxes when applicable, and any other fees required by law. In a low interest rate environment, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs, and money market funds may not offset advisory fees. In some cases, the effective yield of the investment may in fact be negative.

Additional compensation. Some of RIA's Financial Advisors may also receive compensation for the sale of securities or other investment products or insurance, including variable annuities or variable life products. Please see Item 10, below, for further information. This practice presents a conflict of interest and can give the Firm and its Financial Advisors an incentive to recommend investment products based on the compensation received, rather than on the client's needs. No client is under any obligation to purchase any securities or insurance commission products from RIA and/or its representatives. Clients are reminded that they may purchase securities and insurance products recommended by RIA through other, non-affiliated broker-dealers and/or insurance agencies.

Some of RIA's Financial Advisors have received, and some future Financial Advisors may receive transition assistance in the nature of forgivable loans from RIA or an affiliated entity of RIA. The specific terms of each loan may differ, but they are generally structured as forgivable loans meaning that based upon production or performance, the debt will be forgiven without payment over time.

Production-based loans condition forgiveness based upon pre-determined revenue targets of the Financial Advisor. This presents a conflict of interest in that the Financial Advisor has an incentive to recommend that clients invest using those products and services that provide the greatest amount of revenue to RIA or its affiliates, rather than lower-cost products that pay less revenue to those entities.

Time-based loans are forgiven based on the amount of time the Financial Advisor continues to remain registered with RIA or its affiliates. For example, a 4-year time-based loan would typically forgive 25% of the loan on each anniversary of the loan agreement until the entire loan is forgiven. The Financial Advisor is incented to keep production at a high enough level that his or her registration with RIA or its affiliates will be continued through the course of the loan.

Your Financial Advisor's ADV IIB brochure supplement provided to you will disclose whether your Financial Advisor has such an arrangement with RIA or its affiliates.

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

The firm does not accept performance- based fees.

Item 7 – Types of Clients

Clients of Realta Investment Advisors' Financial Advisors include individuals, individual retirement accounts ("IRAs"), pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), participants in such plans, charitable organizations, corporations, businesses, institutions, trusts, and estates.

Conditions for Managed Accounts

Wrap accounts sponsored by Wells Fargo require a minimum account size of \$25,000. (\$10,000 for the FundSource Foundations model series and certain Allocation Advisors programs) The minimum account size for Wells Fargo separate account manager programs is \$50,000. Client directed and advisor directed accounts also require a minimum account size of \$50,000. Depending on the specific program selected by you, a higher minimum will be required. Account minimums may be waived at the discretion of RIA and/or Wells Fargo. If you contract for a Wells Fargo sponsored program, you are required to enter into a Wells Fargo client agreement and will receive a copy of the Wells Fargo sponsored program disclosure brochure.

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

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

The Firm's Financial Advisors strive to learn the client's goals, risk tolerance and time horizon through a verbal interview process. Upon identification of appropriate strategies that are suited to fit the client's needs, Realta Investment Advisors or the Financial Advisor will recommend investment management strategies to help a client achieve his or her financial goals.

Specific investment strategies vary in accordance with the specific needs of each client. For most clients, Financial Advisors attempt to design a strategy based on the concept of asset allocation, or spreading investments among a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities). Asset allocation seeks efficient diversification of assets in an attempt to lessen the risk of concentrated exposure to a particular security or asset class.

Realta Investment Advisors may use trading strategies that involve frequent trading of securities. Frequent trading strategies may negatively affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Realta Investment Advisors' methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. The firm uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data, primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Realta Investment Advisors uses Long Term Trading, Short Term Trading, and Options Writing Strategies (including covered options, uncovered options, or spreading strategies) that are designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short sales and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Other investment strategies may be chosen by the Financial Advisor or Money Manager if they meet a client's particular financial needs, risk profile, and overall investment strategy. Cash management and some treasury services may also be offered. Financial Advisors may recommend that Advisory Clients engage in margin transactions. Purchasing securities on margin can amplify potential returns and losses. As such, purchasing securities on margin may result in losses greater than an Advisory Client's original principal. Clients should carefully review disclosures regarding risks, fees, and other considerations appearing in margin account agreements prior to opening margin accounts.

Unaffiliated Private Investment Funds. RIA may also provide investment advice regarding unaffiliated private investment funds. RIA, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. RIA's role relative to the private investment funds is limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the assets invested in the fund(s) shall generally be included as part of "assets under management" for purposes of RIA calculating its investment advisory fee (unless the client purchases the fund on a commission basis from RIA's affiliated broker-dealer). RIA's clients are under no obligation to consider or make an investment in a private investment fund(s).

Private investment funds generally involve unique risks, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and shall acknowledge and accept all risk factors that are associated with such an investment.

If RIA references private investment funds owned by the client on any supplemental account reports prepared by RIA, the value(s) for all the private investment funds will reflect either the initial purchase and/or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

Client Obligations. In performing its services, RIA is not required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on that information. Moreover, it is the client's responsibility to notify RIA promptly upon any change in the client's financial situation or investment objectives. If the client does not provide this notice or information, RIA and its Financial Advisors will not be in a position to perform an accurate review, evaluation or revision of their previous recommendations and/or services.

Non-Discretionary Service Limitations. RIA's Financial Advisors generally provide investment advice on a discretionary basis -- meaning that the Financial Advisor is authorized to make transactions on the client's behalf in the client's account at the discretion of the advisor. If a client engages RIA on a non-discretionary investment advisory basis, the client must be willing to accept that RIA cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, if the client is unavailable during a market event, RIA will be unable to effect any account transactions (as it would for its discretionary clients) because it must first obtain the client's verbal consent.

Investment Risk. Different types of investments involve varying degrees of risk. No one should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by RIA) will be profitable or equal any specific performance level(s).

Types of Investments and Risks

Depending on the type of service being provided, RIA and Financial Advisors can recommend different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an Financial Advisor can recommend depending on the service provided.

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or

such government could be considerably greater than if they did not concentrate their investments to such an extent.

- *Sector Risk.* To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or subsectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political, or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- *Alternative Strategy Mutual Funds.* Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- *Closed-End/Interval Funds.* Clients should be aware that closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- *Exchange-Traded Funds (ETFs).* ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- *Exchange-Traded Notes (ETNs).* An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency, and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication

in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.

- *Leveraged and Inverse ETFs, ETNs and Mutual Funds.* Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- *Options.* Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- *Structured Products.* Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.
- *High-Yield Debt.* High-yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and

interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

- *Hedge Funds and Managed Futures.* Hedge and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- *Business Development Companies (BDCs).* BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private REITs and limited partnerships, investors are exposed to significant market, credit, and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios. Due to the illiquid nature of nontraded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.
- *Variable Annuities.* If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- *Company Stock.* If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client's employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.
- *Risk of Full Account Liquidations:* Upon proper notification to liquidate your holdings in any advisory program, we will in an orderly and efficient manner proceed with the liquidation request. You must consider that liquidating assets may result in tax consequences that should be discussed with your tax advisor. We are under no obligation to affect any transaction for you that we believe to be improper under applicable law, rule, or regulation.
- *Risk in the Use of Short Selling:* When short selling, the losses can be unlimited. A security is not limited on how high its price can go. Thus, losses can be infinite.
- *Risk in the Use of Margin:* When purchasing securities, you may pay for the securities in full or may borrow part of the purchase price from the broker/dealer. In order to borrow funds in connection with the 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 the funds loaned. To the extent margin is used in your account, you should be aware that the margin debit balance does not reduce the market value of eligible program assets. If you use margin to purchase

additional securities, your total value of eligible program assets increases and therefore your asset-based fee will increase. In addition, you will be charged margin interest on the debit balance in your account.

- *Low-priced equities:* Low-priced equities, also known as penny stocks, trade at less than \$5.00 per share with certain exceptions as outlined in the SEC's Penny Stock Rule. Low-priced equities carry greater than normal risk including high volatility, low liquidity, lack of transparency, and a greater probability of loss.

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 Realta Investment Advisors or the integrity of Realta Investment Advisors' management.

On December 11, 2017, the firm consented to entry of an order with the SEC resolving allegations by the SEC that the firm failed reasonably to supervise its former CEO by not having in place, until 2013, reasonable policies and procedures for the creation, use and review of a certain type of consolidated reports. The firm consented to entry of an order of censure and a \$40,000 fine.

On March 11, 2019, the firm consented to entry of an order with the SEC concerning receipt of mutual fund 12b-1 fees by the firm's affiliate broker dealer. As part of the Securities Exchange Commission's (SEC) Mutual Fund Share Class Selection Disclosure Initiative, the SEC encouraged investment advisers to self-report the failure to adequately disclose conflicts of interest associated with the recommendation or selection of a mutual fund share class that charged distribution fees ("12b-1 fees") when a lower-cost share class of the same fund existed. For companies who self-reported, the SEC indicated it would recommend favorable standardized settlement terms, including no penalties. Realta elected to join the SEC's industry-wide voluntary initiative regarding fees collected on certain mutual fund classes between 2014 and 2018. The firm consented to entry of an order of censure and restitution. Realta refunded the associated 12b-1 fees and interest to clients who held those types of funds during this time period.

Item 10 – Other Financial Industry Activities and Affiliations

RIA is affiliated with other financial services firms.

Realta Equities, Inc., is our affiliated broker/dealer. Many of our Financial Advisors are registered representatives of REI. They may provide analysis of and recommend the purchase and sale of securities through REI.

Realta Equities Insurance Agency, Inc. and Realta Risk Advisors, LLC, are licensed as general insurance brokers and agencies. Properly licensed Financial Advisors may provide analysis of and recommend the purchase and sale of certain insurance products.

RIA or its affiliates may receive a commission or other form of compensation in connection with these securities or insurance transactions and may compensate Financial Advisors with a percentage of commissions or other forms of compensation. Clients are not obligated to use any of these affiliated entities as their broker-dealer,

insurance broker or agent, or to use any recommended insurance company for any recommended insurance transaction.

Realta Investment Advisors may utilize outside insurance agencies or brokers for help with the analysis and recommendation of insurance products and/or for insurance licensing and appointments with various states and insurance companies.

The firm may recommend third party advisers and receive compensation from that advisor. This incents the firm and its financial advisors to recommend higher paying advisers over lower ones resulting in increased costs to customers.

Time Spent on Other Activities. Principals of Realta Investment Advisors may spend up to 90% of their time on other related or non-related activities, including management of the firm, recruiting, and registered representative activities, including the sale of commissionable products through REI and/or the sale or recommendation of insurance products.

Broker/Dealer. REI is a member of FINRA, the Municipal Securities Rulemaking Board ("MSRB"), and SIPC and is registered in various states as required. REI is an introducing broker/dealer with a fully disclosed clearing arrangement through Wells Fargo Clearing Services, LLC.

Conflict of Interest. The recommendation by RIA representatives that a client purchase a securities or insurance product from the firm's affiliated broker-dealer or insurance agency presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from RIA and/or its representatives. Clients are reminded that they may purchase securities and insurance products recommended by RIA through other, non-affiliated broker-dealers and/or insurance agencies. RIA's Chief Compliance Officer, Barrett Schultz, is available to address any questions that a client or prospective client may have regarding this conflict of interest.

Non-Investment Consulting/Implementation Services. RIA or its Financial Advisors may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Although certain of its representatives may be separately licensed in other capacities, RIA is not a law firm or accounting firm, none of its representatives is authorized to act as an attorney or accountant on behalf of the firm, and no portion of RIA's services should be construed as legal or accounting services. RIA or its Financial Advisors may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including, as disclosed below, RIA representatives in their separate capacities as attorneys, CPAs, tax preparers, mortgage brokers, registered representatives and/or licensed agents of RIA's affiliated broker-dealer or insurance agencies. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from RIA.

If the client engages any recommended professional, and a dispute relating to that engagement arises later, the client agrees to seek recourse exclusively from and against the engaged professional. It is always the client's responsibility to notify RIA promptly upon any change in the client's financial situation or investment objectives. If the client does not provide this notice or information, RIA and its Financial Advisors will not be in a position to evaluate or reconsider their previous recommendations for products, services or service providers.

Realta Investment Advisors has adopted a Code of Ethics pursuant to the SEC's rules. Our Code of Ethics describes the high standard of business conduct we expect from our Financial Advisors and other members of our staff, and the fiduciary duty we each owe our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumormongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All supervised persons at Realta Investment Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

The firm or its related persons may recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons have a material financial interest. Under certain circumstances, this may present a conflict of interest. Realta Investment Advisors' Code of Ethics addresses this conflict; employees and associated persons are required to follow the Firm's policy and applicable laws. Subject to these requirements, officers, directors and employees of Realta Investment Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Realta Investment Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Realta Investment Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Realta Investment Advisors' clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The firm regularly monitors employee trading to ensure that clients' interests are protected in the event of any conflict of interest between Realta Investment Advisors' Financial Advisor and a client.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Realta Investment Advisors' obligation of best execution. In these circumstances, the affiliated accounts and client accounts will share commission costs equally and receive securities at a total average price. Realta Investment Advisors will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Realta Investment Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Barrett Schultz, Chief Compliance Officer.

It is Realta Investment Advisors' policy that the firm will not affect any principal or agency cross securities transactions for client accounts unless it is in the best interest of the client and no client is disadvantaged by the trade. Realta Investment Advisors will also not cross trades between client accounts unless in the best interest of the client and no client is disadvantaged by the trade. The firm has reasonable procedures in place to enforce this policy. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated

hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, and creates a conflict of interest because an incentive for additional compensation exists.

Conflicts of Interest

In the servicing of your account, depending upon the products and services we provide you, we will engage in activities in which we have material conflicts of interest. Realta Investment Advisors has implemented reasonably designed policies and procedures to mitigate conflicts of interest, however, some conflicts cannot be completely resolved by the procedures and are therefore mitigated by disclosing them to you in this Brochure. A description of these material conflicts, and how we mitigate them, appears below:

Third party payments from investment vehicles

Some of the products available on our platform from time to time offer to pay for travel, lodging and meals for our Financial Advisors to educate them about a particular product. Some of these events occur over several days and be held in high end resorts. This creates a conflict in inducing the advisor to recommend that particular product. We mitigate this conflict by requiring Supervision or Compliance pre-approval of all non-cash compensation offers by the product sponsor. The firm further mitigates this conflict by requiring supervisory pre-approval of all alternative complex product sales, which are the most frequent providers of this type of education.

Some sponsors of the products available on our platform from time to time offer to pay for lunches, sporting events, customer or prospective customer seminars, dinners, or other events. This creates a conflict in inducing the advisor to recommend that particular product. We mitigate this conflict by periodic review of customer account holdings as compared to that account's stated goals and objectives.

Third parties from time to time financially support the firm or firm affiliate's educational, compliance, and sales events. This creates an incentive to recommend products sponsored by those firms.

Our affiliates participate in revenue sharing agreements with third party sponsors and receive compensation for due diligence review of their prospective product. This creates an incentive to recommend products sponsored by those firms.

Trading Revenue

The firm engages in selling agreements with various third parties. In many cases these products offer selling agreements to the firm's affiliated broker-dealer which provide for a selling concession that is paid to the firm's affiliated broker-dealer. This incents the firm to recommend products that pay a reallowance or concession to its affiliate instead of other products or similar products offered by other firms. The firm mitigates this risk by disclosing this conflict to you and requiring pre-approval of the transaction and monitoring accounts.

Complex products, alternative products, BDCs, non-traded REITs, DPPs and Reg D products generally carry higher sales charges and operating expenses which may generate higher fees to the firm's affiliates, creating an incentive to recommend them over lower expense products. The firm mitigates this risk by disclosing the conflict to you and requiring pre-approval of such transactions and, if purchased as part of an advisory account, a waiver of the sales concession if an RIA designed share class is unavailable. Please see Item 4 of this Brochure for further information in this regard.

The firm and its FAs may recommend that customers rollover or transfer non-taxable accounts from a plan sponsor or another financial institution. This may result in increased fees related to the rollover or transfer and will result in increased assets upon which fees or commissions could be generated for the firm or its affiliates. The opportunity to generate fees or commissions for the firm, its affiliates, or the financial advisor creates an incentive for the firm or its FAs to recommend such rollovers or transfers. In order to manage this conflict, the firm supervisors evaluate certain information with respect to the proposed rollover transaction to ensure that it is in the best interest of the client.

The firm or its affiliates may earn referral fees for referrals it makes to banks and insurance companies.

Cash Management

There may be times when an advisory client specifically requests or will be advised to maintain material sums of cash over a period of time. The firm has implemented policies and procedures to address investment advice given in those situations to ensure that these cash balances are managed in a way to maximize value to clients, however, a conflict of interest exists in the management of cash and cash equivalents because an advisory fee is normally charged on these balances which, depending on the interest rate environment, could result in a negative return to the client.

Management Fees

Because the nature of asset-based management fees do not provide additional monetary incentive to recommend or execute transactions, such fee structures, especially wrap accounts, may not be in your best interest when trading is expected to be minimal. In order to mitigate this conflict, the firm provides disclosure of the conflict, and supervises the frequency of trading and monitoring of advisory accounts periodically.

Item 12 – Brokerage Practices

The Custodians and Brokers We Use

Realta Investment Advisors will be deemed to have custody of your assets if you give us authority to withdraw assets from your account in certain circumstances. Your assets must be maintained in an account at a "qualified

custodian,” generally a broker/dealer or bank. We currently use Mainstar Trust, a limited purpose trust company chartered in Kansas (“Mainstar”), Axos Advisor Services is a tradename of Axos Clearing, LLC, member FINRA & SIPC (“Axos”), CNB Custody, a division of Community National Bank, Seneca, KS member FDIC (“CNB”), and Kingdom Trust, an independent qualified custodian regulated by the South Dakota Division of Banking or as our custodians. We also utilize our affiliate, Realta Equities, Inc. (“REI”), member FINRA & SIPC, which maintains custody and clearing of its brokerage accounts via a fully disclosed clearing agreement with Wells Fargo Clearing Services, LLC, which trades as First Clearing (“First Clearing”), a registered broker-dealer, member SIPC, a wholly owned non-bank subsidiary of Wells Fargo. We are independently owned and operated and are not affiliated with Axos, Mainstar, CNB, Kingdom Trust or First Clearing, although we are affiliated with REI. (We refer to any of these qualified custodians as a “QC.”)

While we recommend that you use one of the aforementioned as custodian/broker, you will decide whether to do so and will open your account with a qualified custodian by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at one of the aforementioned QCs, we can still use other brokers to execute trades for your account as described below.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

Your Brokerage and Custody Costs

For our clients’ accounts that a QC maintains, the QC generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your QC account.

In addition to commissions, a QC charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your QC account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize

your trading costs, we execute most trades for your account at the QC, however, in some cases, we may obtain better pricing on a security or be able to obtain a security that may not be available at the QC at a different broker-dealer.

We have determined that having a QC execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Products and Services Available to Us from QC’s.

QCs provide us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. QCs also make available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. QC’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of QC’s support services:

Services That Benefit You. Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. Other products and services are available to us that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both a QC’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at the QC. In addition to investment research, the QC also makes available software and other technology that:

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

Services That Generally Benefit Only Us. QCs also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

A QC may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. A QC may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees. A QC may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in a QC’s Services. The availability of these services benefits us because we do not have to produce or purchase them. We don’t have to pay for services so long as our clients collectively keep a minimum dollar

amount of their assets in accounts at the QC. That minimum dollar amount may vary with each QC. Beyond that, these services are not contingent upon our committing any specific amount of business to a QC in trading commissions or assets in custody. The applicable minimum may give us an incentive to recommend that you maintain your account with a particular QC, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of an aforementioned QC as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services and not by the services that benefit only us.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Brokerage Discretion – Prime Brokerage. For a number of discretionary client accounts, Realta Investment Advisors currently has the discretionary authority to select a broker (other than a client's current Custodian) to execute a fixed income trade. Each trade placed at a broker other than a client's selected Custodian will cost the client up to \$50.00, which is charged by the Custodian to settle the trade. This is in addition to any mark-up or mark-down that may be paid to the broker/dealer Realta Investment Advisors selects to buy or sell the security. Clients must qualify for prime brokerage to participate in these transactions. To qualify for prime brokerage transactions, clients must maintain a minimum portfolio value of \$100,000 or more and sign the appropriate prime brokerage paperwork with the custodian. Realta Investment Advisors may use this discretionary authority to trade away from the custodian when purchasing or selling fixed income securities only. It is not used in all cases. Reasonable restrictions on this authority may be imposed, as described above.

No Brokerage Discretion. If a client account does not qualify for prime brokerage, Realta Investment Advisors will not have the ability to trade at any other broker other than the client's selected Custodian (without the client's specific consent). All transactions for a client's account will be directed to its chosen Custodian unless permission is granted by a client to Realta Investment Advisors for prime brokerage trades.

Trade Errors. If a trade error occurs in a client account and it is Realta Investment Advisors' error, Realta Investment Advisors will correct the error, so the client account does not suffer a loss. However, it is possible that the client may not profit from the error, even if the correction results in a profit. For example, certain custodians keep all trade profits on an error regardless of how the error was caused.

Block Trading (Mini Blocks) and Trade Allocations. Realta Investment Advisors may "aggregate" or "block" purchases or sales of the same security for multiple accounts. Each account participating in the block will receive the average price if multiple executions are required to complete the order. Realta Investment Advisors may block multiple client accounts together that qualify for prime brokerage trading activity. Participating clients will receive the average execution price and their pro rata share of transaction costs. However, because of Realta Investment Advisors' practice of managing portfolios on an individual basis, Realta Investment Advisors does not frequently block transactions except for certain accounts managed in accordance with a model. Thus, Realta Investment Advisors' ability to take advantage of volume discounts or other potential cost and execution advantages of block trades may be limited.

Directed Brokerage. In directing Realta Investment Advisors to use a specific custodian and/or broker/dealer (other than those recommended by Realta Investment Advisors) clients should understand that Realta

Investment Advisors will not have the authority to negotiate commissions among various Custodians or obtain volume discounts. This may also affect our ability to achieve best execution.

Held Away Assets: Our Financial Advisors may provide investment advice to you concerning “held away assets” which are products not held on one of our approved custodian’s platforms. Such investments may be held with a product sponsor, insurer, or issuer directly, with a transfer agent, or some other qualified financial institution. You may or may not desire to have your FA manage such assets. Realta will not manage assets held away except by written agreement. Some assets are structured such that they are illiquid or limited in liquidity, and therefore Realta’s ability to sell those investments on your behalf will be impaired, and advice will be limited to monitoring the investment. Our Financial Advisors may also agree to manage and implement trades on a discretionary basis for investment accounts held away from our approved custodians, such as employer-sponsored retirement accounts, Variable Annuities, Health Savings Accounts, Thrift Savings Plans, education savings accounts, etc. Your financial advisor has access to a third-party platform, FeeX, which provides one platform for him or her to access your held away accounts of that nature for an additional fee. FeeX is a platform to which clients may connect their held away accounts for which online access is available, giving the financial advisor access to review, monitor, and trade the account(s) on a discretionary basis. RIA is not affiliated with FeeX and does not have direct access to client login credentials to effect trades and cannot request withdrawals through the platform. Please ask your financial advisor to discuss the benefits of the platform and costs.

For First Clearing accounts: By recommending certain programs, Realta Investment Advisors is also recommending itself and its affiliated broker/dealer, Realta Equities, Inc. Realta Investment Advisors has an incentive to recommend programs that generate revenue for Realta Investment Advisors and its affiliated broker/dealer over other programs to the extent that such arrangements generate higher total income for Realta Investment Advisors and its affiliates. In addition, clients should understand that this brokerage arrangement may cause the client to forego any potential savings on execution costs that Realta Investment Advisors otherwise might be able to negotiate with different broker/dealers, such as reduced execution costs that may result from utilizing alternative trading services. Clients or prospective clients may contact Barrett Schultz, Chief Compliance Officer, with questions.

Item 13 – Review of Accounts

Advisors review client accounts on an on-going basis, including review of the account custodian’s monthly or quarterly statements. Each client is offered at least an annual account review by a Financial Advisor to review items such as account statements, performance reports, investment objectives, and other data related to the client’s account(s). Additional reviews may be triggered by client request, or by material market, economic or political events, or by changes in clients’ financial situations (such as retirement, termination of employment, physical move, or inheritance). If the account or portion of the account is placed with a third-party money manager, the sponsor or custodian of the assets may send clients written reports and statements concerning the account.

Reviews are based on objectives and parameters established by clients, which are generally memorialized through their individual advisory agreements, investment policy statements, or investment profile.

While Financial Advisors will typically evaluate the continued suitability of specific Money Managers (as applicable), managed account platforms, and wrap programs during account reviews, the administrators of such platforms and programs (which may be Realta Investment Advisors, a Custodian, or another third-party) may also perform their own reviews of managers appearing on the platforms and programs. Any reviews will be disclosed in the separate Disclosure Documents maintained by the administrators to applicable platforms and programs.

Item 14 – Client Referrals and Other Compensation

We receive an economic benefit from QCs in the form of the support products and services made available to us and other independent investment advisers whose clients maintain their accounts with the aforementioned QCs. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12. The availability to us of products and services is not based on our giving particular investment advice, such as buying particular securities for our clients.

ADDITIONAL COMPENSATION

Client Referrals and Other Compensation: RIA may compensate affiliated and unrelated third parties for client referrals in accordance with Rule 206(4)-1 of the Advisers Act. If the client invests in an investment advisory program, the compensation paid to any such entity will typically consist of an ongoing cash payment stated as a percentage of RIA's advisory fee or a one-time flat fee but may include cash payments determined in other ways.

RIA, RIA employees, and Financial Advisors receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with Financial Advisor, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors also pay for, or reimburse RIA for the costs associated with education or training events that are attended by RIA employees and Financial Advisors, and for RIA-sponsored or its affiliate REI-sponsored conferences and events.

The Financial Advisor recommending a third-party money management program to the client receives compensation as a result of the client's participation in the program. This compensation includes a portion of the advisory fee, and may or may not be shown as a separate fee on your account statements. The amount of this compensation may be more or less than what the Financial Advisor would receive if the client participated in programs of other investment advisers or paid separately for investment advice, brokerage, and other client services. Therefore, in such case, the Financial Advisor has a financial incentive to recommend one third-party money management program over other programs and services.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct a QC to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. The QC maintains actual custody of your assets. You will receive account statements directly from the QC at least quarterly. They will be sent to the email or postal mailing address you provided to them. You should carefully review those statements promptly when you receive them.

Some of our Financial Advisors, Wells Fargo, or a third-party money manager may provide their clients with periodic statements reflecting information about their accounts. Clients should compare these statements with the statements they receive from the qualified custodian who holds their account assets. Clients should notify Barrett Schultz, Chief Compliance Officer, of any discrepancy.

Item 16 – Investment Discretion

Discretionary

When RIA manages a discretionary account, we require written authority to determine which securities and the amounts of securities that are bought or sold. This authority is limited by your stated investment objectives, guidelines, and restrictions, and by our fiduciary obligation to act in your best interests. We monitor advisory accounts periodically for consistency with these limitations. Depending on the Wells Fargo or other sub-advisor program for which you contracted, RIA Financial Advisors, in certain cases, have discretionary authority to select and remove third-party investment advisors, sub-advisors, and/or money managers. Any limitations on this discretionary authority must be included in your advisory agreement. You may change/amend these limitations in writing. In addition, the RIA Financial Advisor may be charged ticket charges when implementing transactions by the broker-dealer (and in most cases its affiliated broker-dealer REI), the cost of which may be passed on to you at their discretion for certain account types other than ERISA and IRA accounts. Overage charges in PIM are billed at RIA's cost to eliminate any conflict from Discretionary PIM recommendations.

Non-Discretionary

If you decide to grant trading authorization on a non-discretionary basis, we are required to contact you before implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis and you are unable to be reached or are slow to respond to our request, such delay can have an adverse impact on the timing of trade implementations, and we may not achieve the same execution price.

Conflicting Agreements

Some programs require that you sign a RIA advisory agreement, and another agreement with a third-party money manager. RIA's agreement provides us trading discretion, including selection of third-party money managers. If the third-party agreement or program is a non-discretionary program, RIA maintains discretion only over the hiring/firing of the third-party manager, and not the trading.

Item 17 – Voting Client Securities

Generally, RIA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Certain accounts may permit you to direct proxy ballots to a designated third-party (such as your attorney) or other outside vendor. Accounts managed by an outside sub-advisor not affiliated with RIA may grant that sub-advisor the right to vote proxies by their written agreement. Otherwise, you will receive proxies directly from the account custodian or investment transfer agent. In those cases, we do not vote your proxies, but feel free to contact your Financial Advisor if you have a question about a particular proxy.

Some RIA Financial Advisors may, upon client request, recommend and refer the customer's account to a third-party proxy voting firm. Such services are delegated to a third-party vendor, Broadridge Financial Services, Inc., in New York, NY. Realta enrolls all accounts for which proxy voting authority is granted into Broadridge's Shareholder Value Template ("SV Template.") The SV Template is a data-driven template created by Broadridge using the publicly disclosed vote records of top fund families, selected by Assets Under Management, and whose goal is to maximize shareholder value. A booklet fully describing the proxy voting policy rules is available upon request to your Financial Advisor. Once an account is enrolled in the SV Template, the client may not direct any particular proxy votes for shares held in that account.

Likewise, RIA does not advise or act for you in any legal proceedings, including class actions or bankruptcies, involving securities purchased for or held in your account. Such services are delegated to a third-party vendor, Broadridge Financial Services, Inc., in New York, NY. You have the right to opt-out of such services by giving notice to RIA at the home office address listed on this Disclosure Brochure in writing, in which case you (or your legal agent) then have the sole responsibility for taking or not taking any action regarding these legal matters.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about RIA's financial condition. RIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. RIA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

[END OF DOCUMENT]