



## **Disclosure Brochure**

**October 8, 2024**

### **Rise Advisors, LLC**

*a Registered Investment Adviser*

This brochure provides information about the qualifications and business practices of Rise Advisors, LLC (hereinafter “RISE” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). RISE is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

This section of the Brochure addresses “material changes” that have taken place since the last annual update on February 29, 2024 and will be posted to the SEC’s public disclosure website (IAPD). The material changes since the Adviser’s last annual Form ADV amendment are described below.

- The Adviser has updated its ownership structure, Scott G. Klatt is no longer with the firm.

Pursuant to SEC rules, the Adviser will ensure that its clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business fiscal year. The Adviser may further provide other ongoing disclosure information about material changes as necessary.

Currently, the Brochure may be requested by contacting Ms. Stephanie Kelm, the Adviser’s Chief Compliance Officer at (585) 565-3380.

## Item 3. Table of Contents

Item 1.	Cover Page .....	1
Item 2.	Material Changes .....	2
Item 3.	Table of Contents .....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	9
Item 6.	Performance-Based Fees and Side-by-Side Management.....	12
Item 7.	Types of Clients.....	12
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss .....	12
Item 9.	Disciplinary Information .....	16
Item 10.	Other Financial Industry Activities and Affiliations.....	16
Item 11.	Code of Ethics .....	16
Item 12.	Brokerage Practices .....	17
Item 13.	Review of Accounts .....	19
Item 14.	Client Referrals and Other Compensation .....	20
Item 15.	Custody .....	20
Item 16.	Investment Discretion.....	21
Item 17.	Voting Client Securities .....	21
Item 18.	Financial Information .....	21

## Item 4. Advisory Business

RISE (hereinafter “RISE” or the “Firm”) offers a variety of advisory services which include financial planning, consulting and investment management. Prior to rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with RISE setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

RISE provides strategic investment management and seeks to monitor and rebalance client portfolios to maintain an efficient risk/return tradeoff and manage portfolio risk. To that end, the Firm will analyze client information to assess a client’s current situation, define their goals and determine what should be done in order to meet those goals. Depending on what services the Firm is engaged to provide, this could entail analyzing client assets, liabilities and cash flow, current insurance coverage, investments, tax strategies, and other personal goals and desired outcomes. The Firm believes an approach that carefully monitors client portfolios and leverages technology to effectively manage client assets plays a central role in meeting client objectives.

RISE has been an independent registered investment adviser since June 2020 and is principally owned by Mark B. Jones, Zachary M. Harrington and Stephanie M. Kelm.

While this brochure generally describes the business of RISE, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on RISE’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

RISE offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- Cash Flow Forecasting
- Asset Allocation
- Estate Planning
- Investment Consulting
- Financial Institution Consulting Services
- Insurance Needs Analysis
- Retirement Plan Analysis
- Risk Management
- Retirement Income & Distribution

While each of these services is available on a stand-alone basis, certain of them may also be rendered as part of a comprehensive client engagement (as described below).

The Firm can be engaged for a process which includes financial planning and consulting. RISE typically will analyze, and review data and documents provided by clients, evaluate a client’s ability to meet objectives, provide observations,

identify problems and recommend strategies. A client will receive a summary which reflects their current financial circumstances, financial outlook, personal prerogatives and objectives in any one or all of the above-mentioned function areas.

In performing these services, RISE is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. RISE may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer, and/or other professionals to implement its recommendations.

Clients are advised that a conflict of interest may arise if RISE recommends its own services for implementation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by RISE under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including RISE itself. Clients are advised that it remains their responsibility to promptly notify the Firm if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising RISE's previous recommendations and/or services.

## Financial Institution Consulting Services

RISE has entered into an agreement with Mutual Securities, Inc. ("Mutual Securities"), a registered broker-dealer, to provide non-discretionary investment consulting services to certain of Mutual Securities' brokerage customers ("Brokerage Customers") who provide written consent requesting to receive the firm's consulting services. Brokerage Customers who elect this service provide written consent to Mutual Securities for RISE to provide consulting services, and will enter into a non-discretionary Investment Consulting Agreement with RISE. Under this agreement, RISE will provide Brokerage Customers with periodic reviews, analysis, and recommendations regarding their holdings with Mutual Securities. The Brokerage Customers are solely responsible for all decisions relating to the implementation of the advice provided by RISE.

## Investment Management Services

RISE manages client investment portfolios primarily on a discretionary basis but may also manage portfolios on a non-discretionary basis.

RISE principally allocates client assets among exchange-traded index funds ("ETFs") and may allocate assets among mutual funds, individual equity and debt securities. Further, the Firm may allocate funds among the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of its individual clients. In addition, RISE may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles. Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage RISE to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and

qualified tuition plans (i.e., 529 plans). In these situations, RISE directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

RISE tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles.

RISE consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify RISE if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if RISE determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

## Variable Annuities

As mentioned above, RISE may also recommend and provide ongoing advice on variable annuities. This service will be based upon an agreement in place between RISE and our client(s). When providing advice on variable annuities, our advice is limited to those investment options made available by the insurance company. Further, limitations on frequency of trading or rebalancing will vary according to each sub-account's restrictions. We describe the fees charged below under Item 5 – Fees and Compensation. We describe the material investment risks for many of the securities that we utilized/recommend under Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

## REITS

As mentioned above, RISE may also recommend and provide ongoing advice on REITs. This service will be based upon an agreement in place between RISE and our client(s), and the REIT company. When providing advice on REITs to our accredited investors, our advice is limited to the investment options made available by the REIT company. Further, limitations on frequency of trading or rebalancing will vary according to the investment's restrictions. Because these investments are able to be held within brokerage accounts, the fees are based off of the average daily balance of the account and are identified on the Investment Management Agreement, not to be higher than the standard investment grid. We describe the material investment risks for many of the securities that we utilized/recommend under Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

## Retirement Plan Services

RISE offers Nondiscretionary Investment Advisory Services and Retirement Plan Consulting Services to employer-sponsored retirement plans and their participants. Depending on the type of the plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Upon being engaged by the Sponsor, we will provide a copy of this Form ADV Part 2; an Investment Fiduciary & Retirement Plan Consulting Agreement ("Agreement") for review, along with a copy of our Privacy Policy.

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. We will perform these nondiscretionary investment advisory services through our IARs, and may charge a fee for these fiduciary services, as described in this Form ADV and the Agreement. We will perform these investment advisory services to the Plan as a fiduciary defined under ERISA Section 3(21) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

The Sponsor may engage us to perform one or more of the following nondiscretionary investment advisory services:

#### **INVESTMENT POLICY STATEMENT (“IPS”)**

Advisor will review with Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, Advisor will provide recommendations to Sponsor to assist with establishing an IPS. If the Plan has an existing IPS, Advisor will review it for consistency with the Plan’s objectives. If the IPS does not represent the objectives of the Plan, Advisor will recommend to Sponsor revisions to align the IPS with the Plan’s objectives.

#### **ADVICE RE DESIGNATED INVESTMENT ALTERNATIVES (“DIAs”)**

Based on the Plan’s IPS or other guidelines established by the Plan, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting DIAs to be offered to Plan participants. Once Sponsor selects the DIAs, Advisor will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the DIAs. If a DIA is required to be removed, Advisor will provide recommendations to assist Sponsor with replacing the DIA.

#### **ADVICE RE QUALIFIED DEFAULT INVESTMENT ALTERNATIVE(s) (“QDIA(s)”)**

Based on the Plan’s IPS or other guidelines established by the Plan, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting or replacing the Plan’s QDIA(s)

#### **INVESTMENT ADVICE**

Based on the Plan’s IPS, Advisor will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting investments that meet the IPS criteria. Once Sponsor selects the investment(s), Advisor will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the investment(s). If the IPS criteria require any investment(s) to be replaced, Advisor will provide recommendations to assist Sponsor with replacing the investment(s).

#### **ADVICE RE THIRD PARTY MANAGERS**

Based on the Plan’s IPS or other investment guidelines established by the Plan, Advisor will review the third-party investment managers available to the Plan and will make recommendations to assist Sponsor with selecting a manager to manage some or all of the Plan’s investments. Once Sponsor approves the manager(s), Advisor will provide reports, information and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the managers. If the

IPS criteria require any manager to be removed, Advisor will provide recommendations to assist Sponsor with evaluating replacement managers.

Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the plan in the best interests of plan participants and their beneficiaries. Retirement Plan Consulting Services may only be performed so that they would not be considered fiduciary services under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:

#### **ADMINISTRATIVE SUPPORT**

- ✓ Assist Sponsor in reviewing objectives and options available through the plan
- ✓ Review plan committee structure and administrative policies/procedures
- ✓ Recommend participant education and communication policies under ERISA 404(c)
- ✓ Deliver fiduciary training periodically or upon reasonable request
- ✓ Recommend procedures for responding to participant requests

#### **OVERSIGHT OF RELATIONSHIP WITH SERVICE PROVIDER**

- ✓ Assist fiduciaries with a process to select, monitor and replace service providers
- ✓ Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
- ✓ Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
- ✓ Assist with use of ERISA Spending Accounts or Plan Expense Recapture Accounts (PERA)
- ✓ Assist with preparation and review of Requests for Proposals (RFPs) and/or Information
- ✓ Coordinate and assist with CSP replacement and conversion

#### **INVESTMENTS**

- ✓ Periodic review of investment policy in the context of plan objectives
- ✓ Assist the plan committee with monitoring investment performance
- ✓ Provide analysis of investment managers and model portfolios
- ✓ Assist with Designated Investment Managers (DIMs) and/or third-party advice providers as necessary
- ✓ Educate plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)

#### **PARTICIPANT SERVICES**

- ✓ Facilitate group enrollment meetings
- ✓ Assist plan participants with financial wellness education, retirement planning and/or gap analysis

#### **Potential Additional Retirement Services Provided Outside of the Agreement**

In providing Retirement Plan Services, RISE and its IARs may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

1. as a result of a decision by the participant or beneficiary to purchase services from RISE not involving the use of plan assets;
2. as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or



3. through an Individual Retirement Account rollover ("IRA Rollover").

If RISE is providing Retirement Plan Services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant's or beneficiary's interest in the plan in providing that service). If a Plan participant or beneficiary desires to affect an IRA Rollover, IAR will obtain a written acknowledgement from the Plan participant, known as the Retirement Plan Withdrawals: Information & Disclosure. Any decision to affect the rollover or about what to do with the rollover assets remain that of the participant or beneficiary alone.

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by RISE and our IARs.

### **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

As of December 31, 2023 RISE, provided management of client investment portfolios totaling \$225,067,649 on a discretionary basis and \$25,030,041 on a non-discretionary basis.

## **Item 5. Fees and Compensation**

RISE offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of RISE's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a separate commission arrangement.

### **Financial Planning and Consulting Fees**

RISE generally charges either an hourly or a fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$750 to \$25,000+ on a fixed fee basis or \$200 to \$400 on an hourly basis.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with RISE. Generally, RISE requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due

at the time the financial plan is delivered or the underlying services are rendered to completion. Clients may elect to have RISE directly debit fees from a non-qualified account or send them an invoice for payment.

### ***Investment Management Fees***

RISE provides investment management services for an annual fee based on the amount of assets under the firm's management. This fee varies depending upon the size of a client's portfolio and the type of services rendered, based on the following progressive tiered fee schedule:

<b>Annual Management Fee</b>	
\$0 to \$1,000,000	1.00% of assets
\$1,00,001 to \$2,000,000	0.75% of assets
\$2,000,001 to \$3,000,000	0.50% of assets
\$3,000,001 to \$5,000,000	0.40% of assets
\$5,000,001 to \$10,000,000	0.25% of assets
>\$10,000,001	Negotiable

This fee is calculated based on average daily account balance and charged quarterly in arrears, based upon the market value of the assets being managed by RISE.

RISE acts as portfolio manager using the strategy and portfolio selected on the designated risk tolerance form provided by RISE.

In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is charged to the client, as appropriate.

Fees for the Retirement Plan Services ("Fees") are negotiable based on plan needs and plan asset size, ranging from 0.50% to 1.00% of plan assets. Additional retirement plan consulting would be determined by a separate agreement with a flat fee.

### **Financial Institution Consulting Services Fees**

Mutual Securities pays RISE a consulting fee of **17 basis points annually with up to 18 basis points of supplemental rate** based on the assets under management from Brokerage Customers who have provided written consent to Mutual Securities to receive the investment consulting service from RISE and have entered into an investment consulting agreement with RISE. Brokerage Customers who receive this service do not pay RISE a fee directly. The consulting fee is calculated from the Brokerage Customer's Assets Under Management (AUM) as of the end of a calendar quarter period multiplied by the annualized rate of **17 basis points annually with up to 18 basis points of supplemental rate**. Fees and expenses that Brokerage Customers pay to Mutual Securities related to their brokerage accounts are not higher or lower as a result of the investment consulting services provided by RISE. Clients may terminate the Investment Consulting Agreement with us at any time without penalty by providing written notice. In addition, the Investment Consulting Agreement will automatically terminate if the Brokerage Customer revokes written consent to Mutual Securities for us to provide investment consulting services, or if the Brokerage Customer closes the brokerage account(s).

## Fee Discretion

RISE, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

## Additional Fees and Expenses

In addition to the advisory fees paid to RISE, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

## Variable Annuities

The fees are negotiable depending on the level of assets, scope and complexity of the services provided. The fee will be charged quarterly in accordance with client's agreement with the insurance company and/or as described in the variable annuity prospectus. The maximum fee for variable annuities is 1.00%. Variable annuities also charge internal fees for mortality, administration and contract fees (M&A fees), which are disclosed in the variable annuity prospectus. This is determined by the client agreement established with the insurance company. RISE receives no portion of the M&A fees.

## Fee Debit

Clients may grant RISE the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients, not less than quarterly detailing all account transactions, including any amounts paid to RISE. Some Clients may choose to receive an invoice directly to pay the financial planning fees.

## Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to RISE's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to RISE, subject to the usual and customary securities settlement procedures. However, RISE designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. RISE may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax

ramifications. Should a Client open an account during a quarter, the Firm's management fee will be prorated based on the number of days the account was open during the quarter and do average daily balance calculations in arrears.

## Item 6. Performance-Based Fees and Side-by-Side Management

RISE does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

RISE provides its services primarily to individuals, t r u s t s, estates, charitable organizations, corporations, retirement plans and other business entities.

Our Retirement Plan Services are available to clients that are sponsors or other fiduciaries to Plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

## Minimum Account Requirements

RISE does not impose a minimum portfolio value for starting and maintaining an investment management, Retirement Plan Consulting or financial planning relationship. As a condition for starting and engaging the Firm for a stand-alone financial planning or financial planning relationship, RISE generally imposes a minimum fee of \$750 for financial planning services.

This minimum fee may have the effect of making RISE's services cost prohibitive for certain clients. RISE, in its sole discretion, may waive its minimum annual fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention, and *pro bono* activities.

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

### Methods of Analysis

RISE may utilize a combination of fundamental, cyclical and behavioral finance methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For RISE, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while

the overall health and position of a company may be good, evolving market conditions may negatively impact the security. Cyclical analysis is similar to fundamental analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that RISE is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral Finance analysis involves an examination of conventional economic as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. Risks of relying on a behavioral finance analysis include spotting trends in human behavior that may not predict future trends.

## Investment Strategies

RISE offers custom and portfolio allocation strategies to its clients for the management of their investment portfolios. Both allocation strategies begin with determining an appropriate strategic allocation based on the client's investment goals, objectives, time horizon and risk tolerance.

With both custom and portfolio allocation strategies, the underlying assets are regularly reviewed to determine if each asset class is appropriate to be included in the portfolio. The Firm takes into account a myriad of factors when making these determinations. The models range from aggressive accumulation to preservation of capital. While restrictions cannot typically be placed on the model portfolios, RISE offers its clients more flexibility when participating in custom portfolios.

## Risks of Loss

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

### *Market Risks*

The profitability of a significant portion of RISE's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that RISE will be able to predict those price movements accurately.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Real Estate Investment Trusts (REITs)*

RISE may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's

shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### *Management through Similarly Managed "Model" Accounts*

RISE manages certain accounts through the use of similarly managed "model" portfolios, whereby the firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact RISE if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

### *Structured Notes*

Structured notes are debt securities issued by financial institutions with performance linked to an underlying index or indices. Specifically, the return is typically based on a single equity, a basket of equities, equity indices, interest rates, commodities, or foreign currencies. The performance of a structured note is linked to the performance of the underlying investment, so risk factors applicable to that investment will also apply to the structure note. Investing in structured notes also carries liquidity risk, credit risk, and market risk. There is also the risk of capital loss and additional complexity beyond more direct investment in the underlying asset.

### *Warrants*

A warrant is similar to an option, giving the holder the right but not the obligation to buy an underlying security at a certain price, quantity, and future time. It's unlike an option in that a warrant is issued by a company, whereas an option is an instrument offered by a central exchange, such as the Chicago Board Options Exchange (CBOE). The security represented in the warrant—usually share equity—is delivered by the issuing company instead of a counter-party holding the shares. A warrant can also increase a shareholder's confidence, provided the underlying value of the security increases over time. These are often high-risk, high-return investment tools remain largely unexploited in long-term strategies while offering an attractive alternative to speculators and hedgers.

### *Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues*

Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).



## Item 9. Disciplinary Information

RISE has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

Neither RISE nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer

## Receipt of Insurance Commissions

Certain of RISE's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a commission basis. A conflict of interest exists to the extent that RISE recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result RISE has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

## Financial Institution Consulting Services

RISE has an agreement with Mutual Securities to provide investment consulting services to Brokerage Customers. These services are described in Item 4 above. Mutual Securities will pay compensation to RISE for providing investment consulting services to Brokerage Customers as described in Item 5 above. This consulting arrangement does not include assuming discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in RISE's investment adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with RISE. This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from RISE; we do not accept or bill for additional compensation on brokerage assets under management beyond the consulting fees disclosed in Item 5; and RISE does not engage as, or holds itself out as, a securities broker/dealer. RISE is not affiliated with any broker/dealer.

## Item 11. Code of Ethics

RISE and persons associated with RISE ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the Firm's policies and procedures.



RISE has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). RISE's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its associated persons. The *Code of Ethics* also requires that certain of RISE's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact RISE to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

RISE generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts. RISE uses JPMorgan for the Guided 529 plans.

Factors which RISE considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables RISE to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by RISE's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where RISE determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction

represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

RISE seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. RISE periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct RISE in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by RISE (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, RISE may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless RISE decides to purchase or sell the same securities for several clients at approximately the same time. RISE may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among RISE's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among RISE's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that RISE determines to aggregate client orders for the purchase or sale of securities, including securities in which RISE's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. RISE does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, RISE may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist RISE in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client

may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because RISE does not have to produce or pay for the products or services.

## Software and Support Provided by Financial Institutions

RISE may receive from *Fidelity*, without cost to RISE, computer software and related systems support, which allow RISE to better monitor client accounts maintained at *Fidelity*. RISE may receive the software and related support without cost because RISE renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit RISE, but not its clients directly. In fulfilling its duties to its clients, RISE endeavors at all times to put the interests of its clients first. Clients should be aware, however, that RISE's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence RISE's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, RISE may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## Item 13. Review of Accounts

### Account Reviews

For those clients to whom RISE provides investment management services, RISE monitors those portfolios as part of an ongoing process. Model portfolios are reviewed on an on-going basis, and formally quarterly by our Investment Direction Committee. For those clients to whom RISE provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. All investment advisory clients are encouraged to discuss their needs, goals and objectives with RISE and to keep RISE informed of any changes thereto. The Firm contacts investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. The firm contacts Retirement Plan Service clients at least once a year for a review.

## Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from RISE and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from RISE or an outside service provider.

Those clients to whom RISE provides financial planning and/or consulting services will receive reports from RISE summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by RISE.

## Item 14. Client Referrals and Other Compensation

### Client Referrals and Other Compensation

If a client is introduced to RISE by either an unaffiliated or an affiliated solicitor, RISE may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from RISE's investment management or financial planning fee, and does not result in any additional charge to the client. If the client is introduced to RISE by an unaffiliated solicitor, the solicitor provides the client with a copy of RISE's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of RISE discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of RISE's written disclosure brochure at the time of the solicitation.

Alternatively, if the firm introduces a client or prospective client to a registered investment adviser in exchange for a referral fee, RISE will do so in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any corresponding state securities law requirements (as described above).

### Other Economic Benefits

RISE is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## Item 15. Custody

RISE's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize RISE through such *Financial Institution* to debit the client's account for the amount of RISE's fee and to directly remit that management fee to RISE in

accordance with applicable custody rules. These statements are provided by the *Financial Institution*, while RISE maintains copies of such statements.

Any third-party account transfers from a custodial account at a *Financial Institution* will follow the rules indicated by the SEC, including the *Financial Institution* verifying the client's signature, providing prompt notice to the client and an initial notice confirming instructions. RISE will maintain records showing that the third party is not a related party of RISE or located at the same address as RISE.

## Item 16. Investment Discretion

RISE is given the authority to exercise discretion on behalf of clients. RISE is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. RISE is given this authority through a power-of-attorney included in the agreement between RISE and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). RISE takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## Item 17. Voting Client Securities

RISE is required to disclose if it accepts authority to vote client securities. RISE does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## Item 18. Financial Information

RISE is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.