



# Part 2A Appendix 1 of Form ADV Wrap Fee Program Brochure

Sponsored by

## Gainline Financial Partners LLC

September 25, 2024

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[www.GainlineFP.com](http://www.GainlineFP.com)

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Gainline Financial Partners, LLC ("Gainline" or "the Firm"). If there are any questions about the contents of this Brochure, please contact us at the telephone number listed above. For compliance-specific requests, please call. 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). The Firm has filed to become an SEC-registered investment adviser. Registration does not imply any level of skill or training.

## ITEM 2 - MATERIAL CHANGES

In this Item, Gainline Financial Partners, LLC (hereby known as “Gainline” or the “Firm”) is required to discuss any material changes that have been made to Part 2A Appendix 1 of Form ADV Wrap Fee Program Brochure (“Brochure”) since the last annual amendment on March 7, 2024.

Our Brochure provides information about the qualifications and business practices of the Firm. Except for the item listed below, the business practices of the Firm are substantially the same as represented in this Firm’s previous and current years’ annual updated Brochures.

Material changes since the previous filing of this brochure include:

- The Firm has amended this brochure to update fee disclosures.

We will ensure that all current clients receive this Summary of Material Changes and updated Brochure within 120 days of the close of our business fiscal year. This Summary of Material Changes is also included in our Brochure on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Gainline is #326716. We may further provide other ongoing disclosure information about material changes as necessary and will further provide all clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Clients are encouraged to carefully read the Brochure in its entirety and contact their Financial Advisor with any questions.

Our Brochure may also be requested by contacting Michelle Eldridge, Chief Compliance Officer at (971) 371-3446 or [michelle@tru-ind.com](mailto:michelle@tru-ind.com).

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

Gainline Financial Partners, LLC (“Gainline” the “Firm,” “we,” “our,” or “us”) is a privately owned limited liability company headquartered in Louisville, CO.

Gainline is a registered investment adviser with the U.S. Securities and Exchange Commission. The Firm was formed in 2021 and is owned by Charles Barkmeier and Paul Rohr.

The Gainline Financial Partners, LLC Wrap Program (the “Program”) is an investment advisory program sponsored by Gainline. Before the Firm renders any of the foregoing advisory services, clients must enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

As a registered investment adviser, the Firm is a fiduciary to the firm’s investment advisory clients. It has an obligation to act in good faith, in the client’s best interest, and to place the client’s interests first and foremost. This would include a duty of care, which requires, among other things, advisers to ensure that their investment advice is suitable based on the client’s investment profile or mandate. As part of a duty of loyalty to clients, advisers must also attempt to eliminate or make full and fair disclosure of all material facts of any conflicts of interest so a client, or prospective client, can make an informed decision in each particular circumstance. The structure of the Program and other internal controls described in this Brochure are designed to support the Firm’s ongoing efforts to fulfill its fiduciary duties. This includes actions to either avoid or mitigate material conflicts of interest that may exist between the Firm and its clients and to provide clients with the required disclosure of these conflicts of interest. Clients and prospective clients should carefully consider the information set forth in this Brochure when evaluating the Program. The Firm’s Financial Advisors (each a “Financial Advisor” and collectively, “Financial Advisors”) serve as the primary point of contact for Program clients. Clients are encouraged to carefully read this Brochure in its entirety and contact their Financial Advisor with any questions.

While this Brochure generally describes the firm’s business, certain sections also discuss the activities of its Supervised Persons, who 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 the Firm’s behalf and is subject to the Firm’s supervision or control.

The information included in this Brochure is current as of the date of this Brochure and is subject to change at the Firm’s discretion. Please retain this Brochure for your records.

### **Assets Under Management**

As of December 31, 2023, Gainline Financial managed approximately \$203,916,687 in assets for approximately 646 accounts on a discretionary basis and approximately \$16,762,685 in assets for approximately 16 accounts on a non-discretionary basis. In total, the Firm managed approximately \$220,679,372 in assets for approximately 662 accounts. Of these assets, approximately \$219,183,449 are in wrap accounts.

While this brochure generally describes the firm’s business, certain sections also discuss the activities of its Supervised Persons, who 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 the Firm’s behalf and is subject to the Firm’s supervision or control.

### **Advisory Services Offered**

#### *Investment Management Services*

The Firm offers continuous and regular investment supervisory services on a discretionary and non-

discretionary basis, as well as financial planning and consulting. While we work with clients, we have the ongoing responsibility to select and/or make recommendations based on the objectives of the client, such as specific securities or other investments that he/she recommends or purchases/sells in clients' accounts. We utilize a variety of investment types when making investment recommendations/purchases in client accounts, which include, but are not limited to, equity securities, fixed-income securities, alternatives, mutual funds, and Independent Managers. The investments recommended/purchased are based on the client's needs, goals, and objectives. The Firm offers investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks under Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss. Financial Planning may be provided to clients as a part of the Investment Management Services. When being provided as a separate service, it is described in this section under Financial Planning and Consulting below.

We discuss our discretionary authority below. For more information about the restrictions clients can put on their accounts, see Tailored Services and Client Imposed Restrictions in this item below. We describe the fees charged for investment management services below.

### *Financial Planning and Consulting*

The Firm provides a variety of consulting services to individuals, families, and other clients regarding their financial resources based upon an analysis of the client's current situation, goals, and objectives. Consulting encompasses one or more of the following areas: additional Financial Planning, Performance Reporting, Investment Planning, Retirement Planning, Education Planning, and Business and Personal Financial Planning.

Services provided under an ongoing Financial Planning and Consulting agreement are conducted on a regular basis but no less than annually with the client. The client is under no obligation to act upon the advisor's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

We describe the fees charged for Financial Planning and Consulting below.

### *Use of Independent Managers and Sub-Advisors*

The Firm may select Independent Managers and/or Sub-Advisors to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager and/or Sub-Advisor will be set forth in a separate written agreement with the designated Independent Managers engaged in managing their assets.

The Firm evaluates a variety of information about Independent Managers and/or Sub-Advisors, which may include the Independent Managers' and/or Sub-Advisors' public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Manager's and/or Sub-Advisor's investment strategies, past performance, and risk results concerning its clients' individual portfolio allocations and risk exposure. The Firm also takes into consideration each Independent Manager's and/or Sub-Advisor's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

The Firm continues to provide services relative to the discretionary selection of the Independent Managers and/or Sub-Advisors. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. The Firm seeks to ensure that the Independent Managers' and/or Sub-Advisor strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### *Sponsor and Manager of Wrap Program*

The Program described in this Brochure is provided to clients in a “wrap fee” arrangement. In this arrangement, a single fee is charged based on the market value of assets in the client’s account rather than on the transactions in the account.

The Program allows clients to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts where the total costs will generally increase or decrease as a result of the frequency of transactions in the account and the type of securities purchased.

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, and any other factors pertinent to their specific financial situations. After analyzing the relevant information, the Firm assists its clients in developing an appropriate strategy for managing their assets.

### **Fees for Participating in the Wrap Fee Program**

The Program is offered on an asset-based fee basis, meaning participants pay a single annualized fee based upon assets under management (“Program Fee”) established as a percentage of the market value of assets in the account as of a particular date rather than on the transactions in the account as in a commission account where total costs will generally increase or decrease as a result of the frequency of transactions in the account and they type of securities purchased. The specific methodology and fee a client will pay is set forth in their Client Agreement.

The Wrap Fee covers advisory services related to the program, transaction execution, custody services, account servicing, reporting, and other services.

In establishing the fee applicable to a client’s account, the Advisor will consider the value of the assets and the types of assets deposited in the account participating in the relevant Program, other assets the client or the client’s household may have invested with the Firm, and the nature of the client relationship. In general, not all clients with the same assets will be charged the same fee for the same program.

This management fee generally ranges up to 1.5%, depending on the size and composition of a client’s portfolio and the type of services rendered. The annual fee is prorated and charged monthly, in arrears, based upon the market value of the assets being managed by the Firm on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. The fee is calculated on a pro-rata basis for the initial engagement period. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination, and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides regarding certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), the Firm may negotiate a fee rate that differs from the range set forth above.

### *Additional Fee Information*

As referenced above, a portion of the fees paid to Gainline are used to cover the transaction execution, custody services, account servicing, reporting, and other costs attributed to the management of its client’s

portfolios.

The Firm has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts and the commissions charged for each transaction determines the relative cost of the Program versus paying for execution on a per-transaction basis and paying a separate fee for advisory services. Therefore, the Firm has a conflict of interest where the Firm has an incentive to place fewer trades for clients in the Program since the Firm incurs transaction expenses. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. The Firm mitigates this conflict through disclosure of the conflict in this Brochure, and because it provides investment advisory services to clients, the Firm and its Financial Advisors have a fiduciary duty to act solely in clients' best interest.

The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange-traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed at a broker-dealer, fees charged by Independent Managers, and taxes on brokerage accounts and transactions.

#### Payments to Independent Managers

If an Independent Manager is utilized, the Firm will be hired under a separate written agreement and will charge fees in addition to our Wealth Management Fee. The Independent Manager is paid their fee by directly debiting the client account. The fees paid to these third parties vary based on factors such as the relevant manager's investment strategy or style and the client's account size.

#### Direct Fee Debit

Clients generally provide the Firm with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to deduct fees directly, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to the Firm.

#### Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to the Firm'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 declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to the Firm, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. The Firm 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, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges), and/or tax ramifications.

## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### **Minimum Account Requirements**

The Firm imposes a stated minimum fee of \$1,200 annually and a minimum portfolio value of \$500,000 in investible assets for starting and maintaining an investment management relationship. These fees can be waived at the Firm's discretion. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, the Firm may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager.

## **Types of Clients**

The wrap program is offered to the following types of clients: institutional investors, individuals, high-net-worth individuals, trusts and estates, qualified purchasers, and individual retirement plan participants. We may also provide advisory services to entities such as pension and profit-sharing plans, businesses, and other investment advisers.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Product Evaluation and Approval**

Gainline manages the client's wrap fee and non-wrap fee accounts individually according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap-fee accounts differently than non-wrap-fee accounts. We also allow clients to impose reasonable restrictions on investing in certain securities or types of securities. The Firm does not provide 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).

As stated above, the Firm may select certain Independent Managers to manage a portion of its client's assets. In these situations, the Firm continues to conduct ongoing due diligence of such managers. Still, such recommendations rely to a great extent on the Independent Managers' ability to implement their investment strategies successfully. In addition, the Firm generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### **Methods of Analysis and Investment Strategies**

Gainline may utilize several methods of analysis when structuring client portfolios, including fundamental analysis and technical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. The Firm may analyze the financial condition, capabilities of management, earnings, new products, and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while a company's overall health and position may be good, market conditions may negatively impact the security.

Technical analysis involves analyzing past market data rather than specific company data to determine client recommendations. It may involve using charts to identify market patterns and trends based on investor sentiment rather than the company's fundamentals. The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the Firm will be able to predict such a reoccurrence accurately.

To implement its recommendations, the Firm primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds, and exchange-traded funds ("ETFs") in accordance with their stated investment objectives. The Firm may utilize mutual funds or other securities to meet a client's investment needs on a more limited basis.

### **Portfolio Management by Affiliates and Related Persons**



Portfolio Management services provided by Gainline, a Related Person, certain Affiliates, and the models provided by the Firm present a conflict of interest because, under these circumstances, the entire client fee is retained by the Firm and its Affiliates. This means that, through these arrangements, the Firm and its Affiliates or Related Persons may receive higher total compensation than if the client selected a third-party or otherwise non-affiliated investment manager. However, the Firm mitigates this conflict through disclosure of the conflict in this Brochure, and because it provides investment advisory services to clients, the Firm and its Financial Advisors have a fiduciary duty to act solely in clients' best interest.

Further information about the Firm's Related Persons, the conflicts of interest noted above, and how the Firm addresses these conflicts of interest is included in the Other Financial Industry Activities and Affiliations and Code of Ethics sections below.

## **Performance-Based Fees**

Gainline does not charge performance-based fees (i.e., based on a share of capital gains or capital appreciation of the client's account assets).

## **Risk of Loss**

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of the Firm's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. There can be no assurance that the Firm will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or exchange-traded funds (ETFs) 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 the 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 potentially 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 20,000 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.

### 529 Plans

Whether a state tax deduction and/or application fee savings are available depends on a client's state of residence. Before investing in a 529 plan, clients should find out about a particular plan and its fees and expenses. Clients should consider, before investing, whether the client's or the designated beneficiary's home state offers any tax or other benefits that are only available for investment in such state's 529 savings plan.

There are generally fees and expenses associated with participating in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover education costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents; therefore, potential tax implications can vary from state to state.

### **Proxy Voting Authority**

#### Voting of Proxies

In regard to SEC Rule 206(4)-6 under the Advisers Act, Gainline will not vote proxies relating to equity securities in client accounts, nor do we offer guidance on how to vote proxies.

Account holders may receive voting proxies or similar solicitations sent directly from the custodian of record or transfer agent. Note that we do not forward duplicate copies of these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

Each account holder will maintain exclusive responsibility for directing how proxies solicited by issuers of beneficially owned securities shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers, or other events pertaining to such holdings. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Account holders of record maintain responsibility for directing the manner in which proxies solicited by issuers of beneficially owned securities shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers, or other legal matters or events pertaining to their holdings. The account holder should consider contacting the issuer or their legal counsel with specific questions they may have concerning a particular proxy solicitation or corporate action.

#### Class Action Lawsuits

As a matter of company policy, the Advisor does not file proofs of claim relating to class action lawsuits affecting individual client accounts. However, upon the client's request, the Advisor will provide any and all documentation required to complete any such proof of claim.

#### Mutual Funds

The investment advisor that manages the assets of a registered investment company (e.g., a mutual fund) generally votes on proxies issued on securities held by the mutual fund.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Gainline is required to describe the information about you that we communicate to your portfolio manager(s) and how often or under what circumstances we provide updated information. The Firm communicates with your portfolio manager(s) on a regular basis as needed to ensure your most current investment goals and objectives are understood by your portfolio manager(s). We will most likely

communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you request us to, when market or economic conditions make it prudent, etc.

## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Gainline's clients may directly contact their portfolio manager(s) with questions or concerns or by calling the number on this Brochure for contact information.

## **ITEM 9 - ADDITIONAL INFORMATION**

### **Disciplinary Information**

Gainline 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.

### **Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### *Relationship with tru Independence, LLC*

Gainline maintains a business relationship with tru Independence, LLC ("tru Independence"), a service platform for investment professionals and the owner of two SEC-registered investment advisers – tru Independence Asset Management, LLC and tru Independence Asset Management2, LLC, which are related advisors. Through its relationship with tru Independence, the Firm gains access to services related to reporting, compliance, technology, transition support, and other related services.

In fulfilling its duties to its clients, the Firm always endeavors to put its clients' interests first. The Firm reviews all of its service provider relationships on an ongoing basis to ensure decisions are made in the client's best interests. Clients should be aware, however, that this relationship may pose certain conflicts of interest. Specifically, tru Independence charges the Firm a platform fee that decreases as assets increase. Accordingly, the Firm is incentivized to increase its assets through the tru Independence platform. tru Independence also provided transition support aimed at helping the Firm launch its new advisory firm. Receiving economic and other benefits from tru Independence incentivizes the Firm to choose tru Independence over other service providers that do not furnish similar benefits.

#### *Registered Representatives of a Broker-Dealer*

Certain of the Firm's Supervised Persons are registered representatives of [BD] and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement allows Gainline's Supervised Persons to offer certain qualified clients trading services, allowing the Firm to execute trades of client assets custodied at a qualified custodian. Although [BD] is also a Registered Investment Adviser, the Supervised Persons are only registered as Registered Representatives at [BD].

#### *Insurance Agents*

Certain of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Code of Ethics**

Gainline has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. The Firm’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices, such as using material non-public information by the Firm or any of its Supervised Persons and trading by the same of securities ahead of clients to take advantage of pending orders.

The Code of Ethics also requires certain of the Firm’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done fairly and equitably that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, exceptions may be made to the policies stated below under limited circumstances.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information, may knowingly affect themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade 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.

Clients and prospective clients may contact the Firm to request a copy of its Code of Ethics.

## **Account Reviews**

Gainline monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm’s Investment Committee and/or investment adviser representatives and are intended to fulfill the Firm’s fiduciary obligations to their advisory clients. All advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep the Firm informed of any changes thereto. Gainline contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client’s financial and/or investment objectives.

## **Account Statements and General 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 Gainline and/or an outside service provider contains 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 any documents or reports from the Firm or an outside service provider.

## **Client Referrals and Other Compensation**

Although Gainline does not currently provide compensation to third-party solicitors for client referrals; it is permitted by the Firm. In the event a client is introduced to the Firm by either an unaffiliated or an affiliated

solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with the Firm's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of the Firm is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## **Brokerage Practices**

Gainline generally requests that accounts that are not managed by third-party Independent Managers and/or Sub-Advisors be established with Fidelity Investments ("Fidelity"), member FINRA/SIPC. The firm considers factors such as their respective financial strength, reputation, execution, pricing, research, and service when recommending custodians or any other broker-dealer to clients.

The Custodian maintains custody of the client's assets and effects and settles trades for their accounts. The final decision to custody assets with any Custodian is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Note that the Firm is not affiliated with any such Custodian. The Custodian provides the Firm access to its institutional trading and custody services, which are typically unavailable to retail investors. These services are generally available to independent investment advisors on an unsolicited basis and at no charge to advisors. Custodian services include brokerage services that are related to the execution of securities transactions, research, including in the form of advice, analyses, and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The custodians generally do not charge clients separately for custody services. Still, they are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades executed through the custodians or settling into accounts at the custodians. The custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, and commissions are charged for individual equity and debt securities transactions). The custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The custodians' commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the custodians may be higher or lower than those charged by other custodians and broker-dealers. These fees are included in your wrap fee program.

We may aggregate (combine) trades for ourselves or our associated persons with client trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker-dealer(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek the best price) for the client and is consistent with the terms of our investment advisory agreement with the client for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;

4. We will prepare a procedure specifying how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, it will be allocated pro-rata based on the allocation statement;
6. Our books and records will separately reflect the aggregated orders and the securities held by and bought for each client account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation and
8. Individual advice and treatment will be accorded to each advisory client.

The execution clients receive from the Custodian will comply with the Firm's duty to obtain "best execution." 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.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services that assist Gainline in its investment decision-making process. The receipt of investment research products and/or services and the allocation of the benefit of such investment research products and/or services poses a conflict of interest because the Firm does not have to produce or pay for the products or services.

The Firm periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The Custodian also makes other products and services available that benefit Gainline but may not benefit its clients' accounts. These benefits may include national, regional, or firm-specific educational events organized and/or sponsored by the Custodian. Other potential benefits may include occasional business entertainment of personnel, including meals, invitations to sporting events, golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its client's accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at the Custodian. The Custodian also makes other services available to the Firm to help Gainline manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, the Custodian may make available, arrange, and/or pay vendors for these services rendered to the Firm by independent third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the Firm. While, as a fiduciary, the Firm endeavors to act in its client's best interests, the Firm's recommendation/requirement that clients maintain their assets in accounts at the Custodian may be based in part on the benefit to Gainline of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by the Custodian, which may create a potential conflict of interest.

Gainline does not consider whether the Firm receives client referrals from Financial Institutions or other third

parties when selecting or recommending brokers/dealers.

### **Financial Information**

Registered investment advisors are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Gainline does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.