

Item 1 – Cover Page

Registered As: Convergence Financial, LLC | Doing Business as: Convergence Financial



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Form ADV Part 2A – Disclosure Brochure

Effective: February 22, 2024

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Convergence Financial (“the firm”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (573) 818-2264 or by email at will@convergence-financial.com. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Convergence Financial and its Associated Persons are available on the SEC’s website at www.adviserinfo.sec.gov by searching with our firm name or our CRD No. 304146.

Item 2 – Material Changes

Annually, a complete Disclosure Brochure will be offered to clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end.

There were no material changes made to this brochure since the last published version which was dated August 8, 2023

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching the firm name or CRD No. 304146. A copy of this Disclosure Brochure may be requested at any time, by contacting (573) 818-2264 or by email at will@convergence-financial.com.

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Firm Information

Convergence Financial (the “firm”) has provided brokerage services through LPL Financial LLC (LPL), a FINRA/SIPC member broker/dealer and advisory services through Good Life Advisors, LLC, an SEC registered Investment Advisor since 2016. In 2019, Convergence Financial registered as a legal entity with the state of Missouri and registered with the SEC as an investment advisor to directly offer advisory services and continues to offer brokerage services through LPL. Convergence Financial, LLC, LPL and Good Life Advisors, LLC are all separate unaffiliated legal entities.

The firm operates with three priorities:

- Investing
- Planning
- Service

The name of the firm was created to convey the “convergence” of these three priorities.

The mission is to provide independent investment advice and comprehensive financial planning to our clients and deliver this to them with consistent and personalized service that starts with setting financial goals and creating a plan followed by on-going management.

Executive Management Team

Founder – Travis E. Cook

Mr. Cook is a graduate of the University of Missouri where he obtained his bachelor’s degree in finance in 2006. Immediately upon graduation, he began his career as a Financial Advisor. During the first 10 years of his career, he worked for a Broker/Dealer and held numerous management roles with the firm. In 2016, Travis decided to join LPL Financial, LLC (LPL), a FINRA/SIPC member Broker/Dealer and founded Convergence Financial. His decision to pursue this change was driven by the desire to offer clients independent investment advice, while still holding true to the financial planning values that have always been the foundation of his work. In order to continue to grow his education, Mr. Cook obtained the following professional designations:

- CERTIFIED FINANCIAL PLANNER™ professional – CFP®
- Certified Mutual Fund Counselor designation – CMFC®

Will Littrell, Chief Compliance Officer (CCO)

William joined the Convergence Companies team in 2023 as the Chief Compliance Officer with the goal of streamlining and codifying compliance processes as well as assisting advisors with their ongoing business compliance needs. Will is a Columbia, Missouri native and University of Missouri graduate. Will began his financial career in 2004 as an advisor for A.G. Edwards before transitioning into compliance by becoming a Securities Compliance Examiner for the state of Missouri in 2015. Will moved into private practice as a compliance consultant in 2017 and since then has helped numerous Investment Advisory and Broker Dealer firms around the country with their compliance needs. Will is happy to bring his 20 years of experience to Convergence Financial.

Advisory Services Offered

As a registered investment advisor, Convergence Financial, LLC provides asset management services on both a discretionary and/or non-discretionary basis as well as financial planning. These services are provided primarily to individuals and families, business entities, trusts, estates, and charitable organizations. Assets are managed with a focus on investment goals, objectives, risk tolerance and financial situation. The firm's investment strategy[ies] is primarily long-term focused, but the firm may buy, sell, or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions.

- At no time will the firm accept or maintain custody of funds or securities. All Client assets will be managed within the designated account[s] with a Custodian, pursuant to the terms of the agreement.
- Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities.
- The advice is tailored to the individual needs of the client based on the investment objective chosen by the client to best assist clients in attempting to meet their financial goals.
- Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

LPL Financial (LPL) Sponsored Programs

Strategic Wealth Management (SWM I and SWM II)

Strategic Wealth Management is the name of the custodial account offered through LPL to support investment advisory services provided by the firm. Within a SWM account, investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. More specific account information and acknowledgements are further detailed in the account opening documents.

Investment Advisor Representatives can offer SWM I or SWM II. The accounts offer the same investment choices and are managed in the same manner, but the fee structure is different. For SWM I, clients are charged transaction fees in addition to the advisory fee whereas for SWM II, the transactions fees are absorbed as part of the advisory fee.

LPL Wrap Fee Program

SWM II is offered as a wrap fee program where the firm acts as the sponsor and portfolio manager.

- A wrap fee program is a comprehensive advisory account with a single fee that covers a bundle of services, such as, portfolio management, advice, and investment research as well as trade execution, custody, and reporting fee.

- Please see Appendix 1 –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure. The advisory fee for SWM II accounts may be higher than SWM I to account for the transaction fees.

Depending on the anticipated level of trading, investment advisor representatives of the firm will work with each client to determine the most cost-effective fee structure.

Model Wealth Portfolios Programs

MWP offers clients a professionally managed mutual fund asset allocation program. Convergence Financial will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The investment advisor representative will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department or third-party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$10,000. In certain instances, a lower minimum for a portfolio is permitted.

Retirement Plan Consulting Services

Investment advisor representatives assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. IARs perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to the IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations for consideration and selection by client about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.

- Training for the members of the Plan Committee regarding their service on the Committee, including education and consulting with respect to fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, Representatives may provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis and includes information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, Representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or obtain participant loans, IARs do not provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, IARs do not provide individualized investment advice to Plan participants regarding their Plan assets.

If a client elects to engage the firm and our IARs to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute "investment advice" under ERISA. Therefore, the firm and our IAR will be deemed a "fiduciary" in connection with those services. Clients should understand that to the extent the firm and our IARs are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA, and therefore, the firm and our IARs will not be a "fiduciary" under ERISA with respect to those other services.

From time to time the IAR may make the Plan or Plan participants aware of and may offer services available from the IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such services may be services provided to the Plan or to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the investment advisor representative is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR.

Retirement Plan Rollovers

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted;
2. Rollover the assets to his/her new employer's plan if one is available and permitted;
3. Rollover to an Individual Retirement Account (IRA), or;
4. Cash out the account value, which has significant tax considerations.

The firm provides educational services pertaining to retirement plan assets that could potentially be rolled over to an IRA managed by the firm. Education is based on a particular client's financial circumstances.

Third Party Asset Management Program

If it is in the best interest of a client, the firm could introduce clients to, and advise on the selection of independent investment managers who provide discretionary management of individual portfolios using a variety of different securities analysis methods, sources of information and investment strategies. Clients will receive a separate disclosure brochure from these investment managers regarding their investment advisory services. With respect to clients investing in the AssetMark Platform, the firm introduces clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios including a wide variety of security types. Clients will receive a separate disclosure from such investment managers regarding any such investment manager's advisory services.

In advising retail clients of the firm investing in an AssetMark Platform, the firm can select from mutual funds, Exchange Traded Funds (ETF's), and other investment solutions offered on the Platform. These solutions are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists, including AssetMark.

For more information regarding the AssetMark Platform, refer to [AssetMark Platform Disclosure Brochure](#)¹ (CRD No 109018). The minimum investment required on the AssetMark Platform depends upon the Investment Solution chosen for a Client's account. The minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

Financial Planning Services

¹ https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=650622

Financial planning is generally included as part of a comprehensive asset management engagement. However, financial planning is also available separately for a separate fee. The type of plan can vary greatly depending on the scope and complexity of a particular individual's financial situation.

Planning Strategies for Families and Individuals

- Cash Flow/ Budget Planning – planning to manage expenses against current and projected income.
- College / Education – planning to pay the future college / education expenses of a child or grandchild.

Divorce Planning – Planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations. Providing alternatives to collaborative divorce attorneys to reapportion joint assets.

Estate Planning – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.

Inheritance Planning – planning for a tax efficient method to pass wealth to the next generation.

Insurance Needs – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent childcare and spousal arrangements as well as education.

Investment Planning – planning an investment strategy consistent with particular objectives, time horizons and risk tolerances.

Retirement – planning an investment strategy with the objective of providing inflation-adjusted income for life.

Tax Planning – planning a tax efficient investment portfolio to maximize deductions and off-setting losses.

Wealth Accumulation – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.

Planning Strategies for Business

- Qualified Retirement Plans – evaluate the types of retirement plans established by an employer for the benefit of the company's employees.
- Stock Option Planning – planning to maximize the value of employer issued stock options and optimize what to exercise and what to hold.

Prior to engaging the firm to provide stand-alone planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due prior to commencing services. The firm may recommend the services of professionals for implementation purposes, including our Investment Advisor Representatives in their individual capacities.

Client Account Management

Prior to an engagement each client is required to enter into an agreement that defines the terms, conditions, and fees.

Assets Under Management

At the time this brochure was prepared total assets under management is listed below. Clients may request more current information at any time by contacting the firm.

Assets under Management as of 12/31/2023	
Discretionary	\$326,336,197
Non-Discretionary	\$96,608,768
Total	\$422,944,965

Item 5 – Fees and Compensation

Investment Management Services

Investment advisory fees are paid quarterly in advance and/or in arrears pursuant to the terms of the investment advisory agreement. Fees are based on the market value of assets under management at the end of the prior calendar quarterly cycle. Investment advisory fees are based on the scope and complexity of an account, the degree of expertise required and time required and are negotiated accordingly. Convergence Financial's advisory fees generally do not exceed an annualized rate of 1.5%. If a client chooses to add the services of a third-party money manager, a platform fee in addition to the advisory fee may apply.

The investment advisory fee in the first period of service is prorated from the inception date of the account[s] to the end of the first quarter cycle depending on the fee schedule agreement. All securities held in accounts will be independently valued by the designated custodian. The firm will not have the authority or responsibility to value portfolio securities. If a client terminates an engagement prior to the period, a pro-rated fee calculation will be applied prior to releasing the funds.

Investment advisory fees are calculated by the custodian and deducted from the Client's account[s] by the Custodian. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with the firm at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting the firm to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Mutual Fund Share Class Disclosures

Certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as support services and “other expenses” such as the legal, accounting and the administrative services. When selecting a mutual fund, there is a fiduciary duty to select the share class that helps manage the overall fee structure of the account. The overall fee structure includes such fees as the asset management fee, expense ratio and ticket charges.

- Mutual funds normally offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive.
- Investment adviser representatives may or may not invest or hold client funds in 12b-1 fee paying share classes as appropriate to account for the overall fee structure and tax considerations of an account.

Depending on the anticipated trading volume, and the asset management fee that is determined based on account size, complexity and time requirements, investment advisor representatives have a fiduciary duty to determine the mutual fund share class that is in the best interest of each client as part of the overall fee analysis.

The overall mutual fund fee structure includes:

- Asset Management Fee
- Expense Ratio
- 12b-1 Fees
- Trade Ticket Charges

Investment advisor representatives will consider investing client funds in 12b-1 fee paying share classes even when a lower-cost share class is available to account for the overall fee structure, fund characteristics and/or performance history. The selection of a fund that pays a 12b-1 fee will usually cost more, which will have a negative effect on total returns.

- A share class that pays 12b-1 fee usually does not have transaction charges.
- Not all investors will qualify for all share classes
- Not all share mutual funds offered equivalent share classes.
 - 12b-1 fees are retained entirely by LPL Financial or Charles Schwab.
 - LPL Financial or Charles Schwab does not share 12b-1 fees with individual investment advisor representatives in their independent capacity as registered representatives.

Cash Reserves

Cash balances invested in LPL’s multi-bank insured cash account (ICA) program are invested in Federal Deposit Insurance Corporation (FDIC) insured deposit accounts at one or more bank or other participating depository institutions. However, clients receive the same interest rate across all ICA deposit accounts taken in the aggregate based on a percentage of the average daily deposit balance. LPL receives a fee from the institutions participating in the ICA program based on the value of advisory assets held in the ICA program. This fee could be higher than the interest rate received by clients and/or could reduce the rate a client could receive elsewhere.

Third Party Asset Management Programs

Fees and compensation for using the AssetMark Platform, are provided in more detail in the AssetMark Platform Disclosure Brochure. Discretionary Manager Fee schedules are included in the Client Billing Authorization or the Appendix A to the Client Service Agreement.

The fees applicable to each Account on the AssetMark Platform can include:

- Financial Advisor Fee
- Combined Platform Fee, which will now include the Custody Fee and any Strategist or Manager Supplemental Fee, if applicable
- Initial Consulting Fees

Other fees for special services may also be charged. The Client should consider all applicable fees. Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate AssetMark accounts at any time and receive a full pro-rata refund of any unearned fees.

Financial Planning Services

The firm may charge a fixed fee for financial planning services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement. Financial plans that are based on a fixed rate generally range from \$500 to \$5,000. A flat fee that exceeds \$5,000 is subject to approval by the Chief Compliance Officer.

Hourly Consulting Services

The firm may charge an hourly fee generally ranging from \$250 to \$500 based on the scope, complexity and level of expertise required to provide hourly consulting when a more comprehensive financial plan is not requested. An hourly fee in excess of \$500 requires approval by the Chief Compliance Officer.

Retirement Plan Consulting

The fee for Retirement Plan Consulting will generally not exceed 1.5% of plan assets under management. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of the engagement. The fee-paying arrangement for Retirement Plan Consulting will be outlined in a separate agreement.

Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than the firm, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian and executing broker/dealer. The fees charged by the firm are separate and distinct from these custodial and execution fees.

In addition, all fees paid to the firm for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of the firm, but would not receive the services designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the

Client should review both the fees charged by the fund[s] and the fees charged by the firm to fully understand the total fees to be paid.

Wrap Fee Program Disclosures

- The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.
- For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.
- In order to evaluate whether a wrap [or bundled] fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

Fees and Costs Not Included

If a client chooses to add the services of a third-party money manager, in addition to their wrap program, the TPM platform fee in addition to the advisory fee may apply. Our wrap fee does not cover all fees and costs. The fees not included in the wrap fee include 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 (such as a commission or markup) for trades executed away from our custodians at another broker-dealer, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

Conflict of Interest: When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

- For example, our wrap fee arrangement may create incentives for our firm to trade less frequently or select investments that that reduce our costs, and in some cases increase expenses that are borne by the client. Additionally, our custodians generally do not charge commissions [or transaction fees] for online trades of U.S. exchange-listed equities, U.S. exchange-listed ETFs, and no-transaction-fee ("NTF") mutual funds. This means that, in most cases, when we buy these types of securities, we can do so without paying commissions to our custodians. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately.

Compensation for Sales of Securities

The firm does not buy or sell securities to earn commissions and does not receive any commission compensation for securities transactions in any Client account. Clients can however engage Investment Adviser Representatives of the firm in their individual capacity as a Registered Representative of LPL to render brokerage services under a separate commission-based

arrangement. Clients are under no obligation to engage investment adviser representatives of the firm in their individual capacity as registered representatives. Convergence Financial and LPL are unaffiliated separate legal entities, not under common control.

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

The firm does not charge performance-based fees for its investment advisory services. The fees charged by the firm are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by any Client.

The firm does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend or implement any particular investment options.

Item 7 – Types of Clients

The firm offers investment advisory services primarily to individuals, high net worth individuals and retirement plans but services are available to other types of clients as the opportunity may arise. The number of each type of Client is provided on Form ADV Part 1A. These amounts change over time and are updated at least annually.

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

Methods of Analysis

The firm primarily employs a strategic asset allocation and a fundamental method of analysis in developing investment strategies. Research and analysis from the firm is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others. The firms’ methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations.

While the methods of analysis help the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance.

- **Strategic Asset Allocation**

Strategic asset allocation is a portfolio strategy that involves setting target allocations for various asset classes and rebalancing periodically. The portfolio is rebalanced to the original allocations when they deviate significantly from the initial settings due to differing returns from the various assets.

- **Fundamental Analysis**

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria consist generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market.

While this type of analysis helps the firm in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The firm monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the firm's review process are included below in "Item 13 – Review of Accounts".

Risk of Loss – (Not Exhaustive)

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. The firm will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

The firm will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Below is a list of risks that should be considered prior to investing that may apply to the particular investment held in a particular account. Additional unforeseen risks may apply and affect investment performance. Clients are encouraged to at least consider the following risks:

- **Acts of Nature**– a natural and unavoidable catastrophe that interrupts the expected course of events, market structure and access to funds.
- **Business Risk** – The measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Company Specific Risk** – An non-systemic risk specific to a certain company's operations, executive decisions and reputation which is difficult to quantify
- **Concentration Risk** – Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.
- **Credit Risk** – The risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

- **Cryptocurrency Risk** - Cryptocurrencies refer to the actual virtual currency (decentralized digitized money) that allows individuals or entities to transfer funds online without the need for a bank or credit card company, such as Bitcoin, Ethereum, Cardona, and Litecoin. The SEC, CFTC, NFA, and FINRA have issued investor alerts and advisories on the risks of cryptocurrencies and initial coin offerings (ICOs). These regulators continue to warn investors to keep in mind that actual cryptocurrency and cryptocurrency-related products continue to be speculative and extremely volatile investments. Due to the unregulated nature and lack of transparency surrounding the operations of crypto exchanges, they may experience fraud, market manipulation, security failures or operational problems, which can adversely affect the value of cryptocurrencies and, consequently, the value of the shares of cryptocurrency-related products.
- **Currency/Exchange Rate Risk** – The risk of a change in the price of one currency against another.
- **Cybersecurity Risk** - The computer systems, networks and devices used by Good Life Advisors and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks, and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of us or our service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.
- **Environmental, Social, Governance Risk** - The risks associated with ethical investing include the risk of personal alignment of what is considered ethical between different investors and the portfolio manager as well as a limited ability to diversify. Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.
 - Environmental criteria consider how a company performs as a steward of nature.
 - Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates.
 - Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.
- **Force Majeure** – A natural and unavoidable catastrophe that interrupts the expected course of events, market structure and access to funds.
- **Inflationary Risk** – The risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Interest Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Legislative Risk** – The risk of a legislative ruling resulting in adverse consequences.

- **Liquidity Risk** – The possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Market Risk** – The risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. This is a risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
 - **COVID-19** - The novel coronavirus known as COVID-19 involves significant risk of a sustained increase in the volatility of global markets, which volatility could continue for the foreseeable future. Market responses to decisions made by governments and scientists around the world, including measures to contain the spread of the virus, availability of healthcare and treatments, and rolling shutdowns of markets across the globe would negatively impact markets and pose a significant risk of loss to investment principal. The pandemic also poses a risk from a human capital and resource perspective.
- **Reinvestment Risk** – The risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political Risk** – The possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Taxability Risk** – The risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Terrorism Risk** – An act of terror or calculated use of violence against the country, market structure or individuals.

Types of Investments (Examples, not limitations)

Investment advisor representatives of the firm allocate a client's assets as appropriate to help them reach their individual investment objectives within their time horizon in a manner consistent with their risk profile. Client funds are allocated appropriately in such investments as listed below:

- **Alternative Investments** – The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.
- **Annuities** – are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy.

- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts. Variable annuities typically offer:

- Regular stream of income or a lump sum payout at a future time
- Tax-deferred treatment of earnings
- Death benefits

Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges apply if money is withdrawn early. Variable annuities also involve investment risks, like mutual funds.

- **Cash Positions** – Based on a perceived or anticipated market conditions and/or events, certain assets may be taken out of the market and held in a defensive cash position. All cash may be included as assets subject to the agreed upon advisory fee. Other investment types may be included as appropriate for a particular client and their respective trading objectives. Convergence Financial generally invests client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve a reasonable return on our client's cash balances through relatively low-risk conservative investments.
- **Cryptocurrency** - Cryptocurrencies refer to the actual virtual currency (decentralized digitized money) that allows individuals or entities to transfer funds online without the need for a bank or credit card company, such as Bitcoin, Ethereum, Cardona, and Litecoin. Cryptocurrencies were not designed to be investments and have not been deemed to be a security. They were designed to be mediums of exchange and seen as an alternative to traditional sovereign currencies. Cryptocurrency-related products refer to securities that either directly purchase cryptocurrencies or are involved in the cryptocurrency space, such as through mining cryptocurrency, investing in companies that develop and use blockchain technology, etc.
- **Equity** – investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – An ETF is a diversified investment very much like a mutual fund. Mutual funds can be actively managed to beat a benchmark index or designed to replicate the index. Like mutual funds, shares of an ETF represent a partial ownership of an underlying portfolio of securities. However, unlike mutual funds, shares of an ETF can be traded intraday during market hours.
- **Fixed Income** – investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is

volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
 - **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.
 - **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed, and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. To provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
 - **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation

protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the firm.

Item 9 – Disciplinary Information

There are no legal, regulatory, or disciplinary events involving the firm or any of its Supervised Persons.

Item 10 – Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliation

Certain Investment Advisor Representatives are also Registered Representatives of LPL in their individual capacity and are able to open brokerage accounts. An ongoing asset management fee does not apply to brokerage activity but commissions are received. Clients are not obligated to open any such account.

Insurance Agency Affiliations

Certain Investment Advisor Representatives are also licensed insurance agents in their individual capacity and are able to sell insurance products. An ongoing asset management fee does not apply to insurance products but commissions are received. Clients are not obligated to open any such account.

Commodities

Neither the firm nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The firm has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the firm (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. The firm and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of the firm’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (573) 818-2264 or by email at will@convergence-financial.com.

- **Personal Trading with Material Interest**

The firm allows Investment Advisor Representatives to purchase or sell the same securities that may be recommended to or implemented and purchased on behalf of Clients. The firm does not act as principal in any transactions. In addition, the firm does not act as the general partner of a fund or advise an investment company and does not have a material interest in any securities traded in Client accounts.

- **Personal Trading in Same Securities as Clients**

The firm allows Investment Advisor Representatives to purchase or sell the same securities that may be recommend or implemented to and purchased on behalf of Clients. This presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures.

- **Personal Trading at Same Time as Client**

While the firm allows Investment Advisor Representatives to purchase or sell the same securities that may be may recommended or implemented to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will the firm or any Supervised Person trade to the detriment of any Client.

Item 12 – Brokerage Practices

The firm requires clients to establish an account with either LPL Financial or Charles Schwab to maintain custody of clients' assets and to effect trades for their accounts. Charles Schwab and LPL both provide brokerage and custodial services for Convergence Financial.

For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees that are disclosed in the account opening documents. While LPL does not participate in, or influence the formulation of, the investment advice provided, any dually Registered Representative is restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian unless approved by LPL.

- Convergence Financial is limited to offering services and investment products that are approved by LPL, and prohibited from offering services and investments available through other broker-dealers which may be more suitable.
- Not all investment advisers recommend clients custody their accounts and trade through specific broker-dealers.

LPL is responsible under FINRA rules for supervising certain business activities of the firm and its Dually Registered Investment Advisors that are conducted through broker-dealers and custodians other than LPL. LPL charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because the firm has a financial incentive to recommend that you maintain your account with LPL rather than with another broker/dealer or custodian to avoid incurring the oversight fee.

Benefits Received From LPL

LPL makes available various products and services designed to assist the firm in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of accounts, including accounts not held with LPL. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of fees; and assist with back-office functions; recordkeeping and client reporting.

LPL also makes available other services intended to help manage and further develop its business. Some of these services assist the firm to better monitor and service program accounts maintained at the custodians; however, many of these services benefit only the firm, for example, services that assist with growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided as part of the overall relationship with LPL. While as a fiduciary, the firm endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because the recommendation to custody assets at the custodian could be based on the benefits services and not solely on the nature, cost or quality of custody or brokerage services provided.

Where such services are provided by a third-party vendor, LPL will either make a payment to the firm to cover the cost of such services, reimburse for the cost associated with the services, or pay the third-party vendor directly on behalf of the firm.

Benefits Received From Schwab

Schwab makes available various advisory platforms and services designed to assist the firm in managing and administering client accounts. Many of these platforms and services may be used to service a substantial number of accounts. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of fees; and assist with back-office functions; recordkeeping and client reporting.

Schwab also makes available other services intended to help manage and further develop its business. Some of these services assist the firm to better monitor and service program accounts maintained at the custodians; however, many of these services benefit only the firm, for example, services that assist with growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided as part of the overall relationship with Schwab. While as a fiduciary, the firm endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because the recommendation to custody assets at the

custodian could be based on the benefits services and not solely on the nature, cost or quality of custody or brokerage services provided.

Where such services are provided by a third-party vendor, Schwab will either make a payment to the firm to cover the cost of such services, reimburse for the cost associated with the services, or pay the third-party vendor directly on behalf of the firm.

Transition Assistance

Both LPL and Schwab provide various benefits and payments to assist with the costs (including foregone revenues during account transition) associated with transitioning business (collectively referred to as “Transition Assistance”). The proceeds of such transition assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding any outstanding debt owed to the prior firm, offsetting account transfer fees (ACATs), technology set-up fees, marketing and mailing costs, stationery, and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the transition assistance payments is often significant in relation to the overall revenue earned or compensation received at the prior firm. Such payments are generally based on the size of the business established at the prior firm and/or assets held by the custodian.

The receipt of Transition Assistance creates a conflict of interest because it creates a financial incentive to attract and maintain client accounts with a particular custodian.

Best Execution

Although the commissions and/or transaction fees paid by our clients generally comply with our duty to obtain best execution, you may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services we receive.

In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the broker-dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if the securities we purchase are mutual funds that are traded at net asset value as determined at the daily market close.

Aggregation & Allocation of Transactions

Although each client’s portfolio accounts are individually managed, we may purchase or sell the same securities at the same time for multiple clients. When this occurs, it is often advantageous to aggregate the securities of multiple clients into one trading block for execution. If your portfolio securities are purchased or sold in an aggregated transaction with the securities of other clients, you will all receive the same execution price, and if the aggregated purchase or sale involves

several executions to complete the transaction, you will all receive the average price paid or received on the aggregated transaction.

However, if an aggregated transaction results in only a partial execution and the equal allocation of the partial execution amongst multiple clients would result in an inefficient trading unit in client portfolios, we reserve the right to allocate the transaction to specific individual clients on an equitable rotational basis so that over time no client is disadvantaged in the management of its portfolio.

Directed Brokerage

The firm does not accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer).

Soft Dollars

Soft dollars are revenue programs offered by broker/dealers whereby an advisor enters into an agreement to place security trades in exchange for research and other services.

The firm receives support services without cost, at a discount, and/or at a negotiated rate, which include such things as research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making.

These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian. Consequently, they are not the result of any soft dollar arrangements or any other express arrangements that involves the execution of client transactions as a condition to the receipt of services.

Third Party Asset Management Program

The firm assists clients in selecting the risk/return objective and Portfolio Strategists that best suit the client's objectives. The client then specifically directs the account to be invested in accordance with the chosen investment solution. When the client selects the investment solutions, the client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Portfolio Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without further authorization by the client or any other party at such time as the Portfolio Strategist changes the composition of the selected model asset allocation. The client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time.

The firm has no authority to cause any purchase or sale of securities in any client account or change the selected model asset allocation or to direct the account to be invested in any manner other than as previously authorized by the client. If a client selects an IMA, UMA or CMA investment solution, the third-party Discretionary Managers are granted the authority to manage the accounts on a discretionary basis, including the authority to buy, sell, select, remove and select securities and other investments for the account, and to select broker-dealers or others through which transactions will be affected.

Item 13 – Review of Accounts

Frequency of Reviews

Client accounts are monitored on a regular basis by the compliance department.

The surveillance process focuses on accounts that have potential issues in the following areas:

- Market Performance
- Trading Inactivity
- High Cash Balance
- Position Concentration
- Asset Allocation
- Risk Tolerance
- Senior Suitability

Causes for Reviews

In addition to the investment monitoring noted above, each Client account shall be reviewed at least annually by their investment advisor representative. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify the firm if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

Review Reports

The Client will receive statements no less than quarterly from the Custodian. These statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client statements will include all positions, transactions and fees relating to the Client's account[s].

Clients participating in the AssetMark Platform will receive periodic custodial account statements (not less frequently than quarterly) from their account Custodian.

Item 14 – Client Referrals and Other Compensation

LPL Financial LLC

The firm receives an economic benefit in the form of reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest.

The firm and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sale of products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse RIA for the costs associated with, education or training events that may be attended by RIA employees and investment advisor representatives and for RIA sponsored conferences and events.

AssetMark, Inc.

Under AssetMark's Business Development Allowance program, the firm can receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Advisor. These amounts vary depending on the value of the assets on the AssetMark Platform held by Clients of the Financial Advisor.

- **Marketing Support**

The firm can enter into marketing arrangements with AssetMark whereby the firm receives compensation and/or allowances in amounts based either upon a percentage of the value of new or existing Account assets of Clients referred to AssetMark by the firm, or a flat dollar amount.

- **Direct And Indirect Support**

AssetMark may sponsor annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services.

- **Discounted Fees For Financial Advisors**

Financial Advisors can receive discounted pricing from AssetMark for practice management and marketing related tools and services.

- **Community Inspiration Award**

AssetMark offers the Community Inspiration Award to honor selected Financial Advisors across the US who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program, to the firm's nominated charity in accordance with guidelines as outlined in the AssetMark Platform Disclosure Brochure.

Client Referrals from Solicitors

The firm has engaged paid solicitors for Client referrals.

Item 15 – Custody

The firm does not have custody of client funds or securities. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- Clients should review the fee calculated and deducted by the custodian to ensure that the fees were calculated correctly.

Item 16 – Investment Discretion

Clients can determine to engage the firm to provide investment advisory services on a discretionary, limited discretionary (mutual funds and ETFs only) or non-discretionary basis.

Full discretion includes the authority to determine the securities to be bought or sold as well as the amount. Prior to the firm assuming discretionary authority over a client's account, the client shall be

required to execute a written agreement, granting the firm full or limited authority to buy, sell, or otherwise effect transactions.

The firm does not take any independent discretionary authority over client accounts. The firm does, however, offer clients participation in the AssetMark Platform, an asset allocation Platform more fully described in Appendix 1 – Platform Disclosure Brochure attached hereto. Asset allocations composed by a group of independent investment strategists (“Portfolio Strategists”) are offered under the Platform, with the different model allocations designed to satisfy a gradient of risk/ return objectives. The Portfolio Strategists have no direct relationship with the firm or client, make no analysis of and do not consider the clients’ individual circumstances or objectives, and do not tailor the model asset allocation to any specific client’s needs, circumstances, or objectives, but only to the stated risk/return objectives.

Item 17 – Voting Client Securities

The firm does not vote client proxies, but third-party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for:

- directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted upon.
- making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client’s investment assets.

Item 18 – Financial Information

Neither the firm, nor its management, have any adverse financial situations that would reasonably impair their ability to meet all obligations to its Clients.

- Neither the firm, nor any of its control persons, has been subject to bankruptcy or financial compromise.

The firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.