

F/m Investments, LLC Disclosure Brochure

April 23, 2024

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This brochure provides information about the qualifications and business practices of F/m Investments, LLC ("F/m", the "Firm" or the "Adviser"). If you have any questions about the contents of this brochure, please contact us at +1.202.839.4910. 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 F/m Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

You can search this site by a unique identifying number, known as a CRD number. The CRD number for F/M Investments, LLC is 304405.

F/m Investments, LLC is a Registered Investment Adviser ("RIA"). Registration of an Investment Adviser does not imply any level of skill or training.

Material Changes

The current Disclosure Brochure for F/m Investments, LLC contains the following material changes since its last annual update on March 30, 2024:

- This amendment reflects significant changes to F/m Investments, LLC. On April 1, 2024, F/m Investments, LLC parent organization, F/m Managers Group, LLC (formerly, Diffractive Managers Group, LLC) (“FMG”) engaged in an internal reorganization which combined the operations of FMG’s two subsidiary registered investment companies (each an “RIA”), Ziegler Capital Management, LLC (“ZCM”) and F/m Investments, LLC (“F/m”) into one operating business (the “Transaction”). Post-reorganization, F/m will remain as the operating RIA and ZCM will cease to operate as an RIA. Coincident with the Transaction, ZCM has transferred all of its personnel, products, operations and contracts, including all Investment Management Agreements and vendor contracts, to F/m. Employees of ZCM have become employees of F/m.

As a result of the transaction, F/m manages \$12.9 billion in assets under management.

Disclosure Brochure

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Item 4 - Advisory Business

F/m Investments, LLC (“F/m”, the “Firm”, the “Adviser”, “we”, “us” or “our”) is a Delaware Limited Liability Company that provides discretionary investment supervisory services and other advisory services to a wide variety of clients. F/m does business as Genoa Asset Management, LLC (“GAM”), Integrated Alpha Investments, LLC (“Integrated Alpha”), Oakhurst Capital Management, LLC (“OCM”) and North Slope Capital, LLC (“North Slope”).

The Adviser was founded in 2019 and is principally owned by ZCM. ZCM is a wholly owned subsidiary of FMG, a subsidiary of 1251 Capital Group, Inc. (“1251 Capital”), a financial services holding company.

As of March 31, 2024, F/m has statutory assets under discretionary management of \$12.9. billion and non-discretionary assets of \$53.6 million.

The advisory services of F/m are described in detail below.

Investment Management Services

F/m provides investment management services to institutional and individual investors through separately managed accounts (“SMAs”), open-end mutual funds and exchange traded funds (“ETFs”), and model-based accounts. The services involve managing each client’s account on a continuous basis and purchasing and selling investments in the account as F/m’s professional staff deems necessary by using discretionary authority granted to F/m by the client. Types of securities managed include stocks, bonds, options, mutual funds, and ETFs. Some of these positions generally are used for “hedging” purposes and are designed to reduce, but not necessarily eliminate, the risk in various client portfolios. Clients may impose restrictions on investing in certain securities or types of securities. We manage client portfolios in accordance with their investment policies and use reasonably available resources to comply with investment restrictions, when applicable. At our sole discretion, we will manage legacy portfolios within a SMA.

F/m manages portfolios not involving continuous investment supervisory services. These services are provided when F/m is retained to perform a particular function not involving specific knowledge of other assets of the client. An example of such a service is the management of an institution’s bond portfolio, but not other securities within the client’s investment portfolio.

F/m also provides sub-advisory services to both affiliated and unaffiliated asset managers by furnishing its investment strategies to the asset manager’s clients. The initial investment and asset allocation recommendations are based on the financial information gathered from, or provided by, each client including a complete Investment Policy Statement, investment restrictions requested by the client, or overall financial condition. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client’s objectives. The client’s portfolio and its performance are then monitored by the client’s Client Service Representative (“Client Service Rep”), and the portfolio management team, for consistency with the client’s stated goals and objectives. Portfolio management teams will also monitor portfolios collectively, at the strategy level. The frequency of these reviews and transactions made for a client’s accounts are determined by the Client Service Rep. Clients are free to contact their Client Service Rep at any time if they have questions about their accounts.

F/m does not assure or guarantee the results of its discretionary supervisory services. Thus, losses can occur from following F/m’s advice pertaining to any investment or investment approach, including using conservative investment strategies.

Additionally, F/m also designs and constructs specialized portfolios and provides consulting services tailored to meet specific client mandates. F/m also acts as a Qualified Professional Asset Manager (“QPAM”) under the Employee Retirement Income Security Act of 1974 (“ERISA”), providing requested guidance on specific transactions related to particular assets of employee benefit plan investors.

Services to Mutual Funds and ETFs

F/m acts as an Adviser or Sub-Adviser to unaffiliated mutual funds and ETFs (known collectively as “Managed Funds”). Interested investors should refer to each respective fund’s prospectus and statement of additional

information (“SAI”), or other similar document, for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available on-line at each fund’s website.

Prior to making any investment in any mutual fund or ETF, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in that fund.

Advisory Services for Wrap Programs and Model Investment Portfolios

F/m acts as a discretionary investment manager for one or more unaffiliated broker-sponsored (the “Wrap Sponsors”) wrap-fee programs (“Wrap Programs”). Clients participating in wrap programs may be charged various program fees in addition to the advisory fee charged by us.

F/m provides asset management services to clients that select F/m to manage their accounts through their respective Wrap Sponsor. We manage the program accounts in accordance with their investment policies and will use reasonably available resources to comply with investment restrictions, when applicable. There may be differences in the performance of wrap portfolios among F/m clients and other institutional accounts invested in similar strategies we manage for other clients, resulting from differences in the number of securities held in the portfolio, cash availability, investment restrictions, account sizes, tax considerations, and other factors. The Wrap Sponsor generally pays F/m a fee based on assets managed in connection with the program. The fees we receive in connection with Wrap Programs may vary from fees charged to other clients and between Wrap Programs. For our services, we receive a portion of the total wrap fee charged by the Wrap Sponsor.

We also provide model investment portfolios (“Models”) to various outside financial institutions (each a “Model Provider”) for their unified managed account programs and other model-driven investment vehicles (“Model Programs”). The Models contain our current investment recommendations as to the composition of a portfolio that would be purchased for an account managed in accordance with the relevant investment strategy. The recommendations generally reflect the investment recommendations and security weightings simultaneously being made for our discretionary institutional and high-net-worth clients within the same investment strategy. The Model Provider may implement our Model recommendations on its own trading platform for the clients that have chosen to participate in the program. Model Providers may choose to implement some or all of our recommendations in terms of both the securities and/or the weightings. As securities and weightings change in the Model, those modifications are communicated to the Model Providers, consistent with our trade rotation practices, as referenced in **Item 12 – Brokerage Practices**. There is no requirement that the Models be administered as they are provided, or at all, and we generally do not monitor or supervise the Model Programs administered by the outside Model Provider. As a result, the performance of our discretionary accounts and those of the Models using the same investment strategy may differ for these and other reasons.

Generally, Wrap Program and Model Program accounts using the same investment strategy may perform similarly, however, there could be performance differences between them. Performance dispersion can occur because F/m does not have trading discretion over the Model Program accounts.

Sweep vehicle choices are determined by each custodian and we may not have tax-exempt sweep vehicles to choose from with every custodian. This could result in tax-exempt mandates utilizing a taxable sweep vehicle and, thereby, generating taxable income.

Other Advisory Services

F/m also provides other advisory services to high-net-worth individuals, corporations, endowments/foundations, retirement plans, and retirement plan participants. These advisory and consulting services include: helping formulate client investment objectives; identifying risk tolerance characteristics; developing Investment Policy Statements; creating asset allocation strategies driven by the client’s policy or risk profile; searching for suitable investment managers, mutual funds and/or investment products (e.g., stocks and bonds) to implement these strategies; and continuous monitoring, evaluation and reporting on client accounts.

Portfolio Managers of client accounts may also be Portfolio Managers to mutual funds or ETFs recommended to clients, and thus have a conflict of interest when recommending these funds to clients. F/m intends to base recommendations on the best interests of its clients. Although F/m believes its services are competitively priced; clients may be able to obtain similar advisory services at lower prices if purchased elsewhere.

Item 5 - Fees & Compensation

F/m bases its investment management fees on a percentage of assets under management. Generally, we provide advisory services on an individualized basis, based on the needs of each client. Accordingly, fees will be negotiated with each individual client depending on the nature of services to be provided, the type of client, other assets the client may have invested with us, and other relevant factors.

We generally have established investment advisory fees in accordance with the schedules below. Fees are for advisory services only, unless otherwise indicated. We will directly invoice clients for investment management fees. We may amend our fee schedule with our advisory contracts.

The advisory fees charged and the manner and frequency they will be calculated will be disclosed in the Investment Management Agreement signed by the client and the Adviser. They will be charged either quarterly in advance or quarterly in arrears. Clients authorize the Adviser to debit advisory fees directly from their accounts, unless otherwise agreed to between F/m and the client.

F/m will never charge more than 200 bps on fees and would not charge more than the below for the specific asset class type.

F/m

<i>Asset Class Type</i>	<i>Maximum Annual Fee</i>
Equity	1.00%
Balanced	1.00%
Fixed Income	1.00%
Enhanced Cash	0.50%
Options	0.50%
Covered Call	0.50%

GAM

<i>Asset Class Type</i>	<i>Maximum Annual Fee</i>
Equity	0.35%
Fixed Income	0.50%

Integrated Alpha

<i>Asset Class Type</i>	<i>Maximum Annual Fee</i>
Equity	0.50%

OCM

<i>Asset Class Type</i>	<i>Maximum Annual Fee</i>
Fixed Income	1.00%

North Slope

<i>Asset Class Type</i>	<i>Maximum Annual Fee</i>
All Asset Types	0.15%

These fees represent the maximum fees charged. Fees are negotiated on a relationship basis. While the fee schedule above represents the majority of the products and services offered to most of our clients, there are specialized products and/or services provided based on specific client mandates for which there is no set fee schedule. Fees for those accounts are not represented in this document and generally are negotiated with the client on a case-by-case basis.

Depending on the account, nature of investment strategy and/or the volatility in the size of the account based upon withdrawals or additions, F/m will charge an advisory fee for its management services using one of the following calculations:

1. In Advance. A quarterly fee will be billed in advance based on the market value of assets under management at the beginning of each calendar quarter. For agreements beginning intra-quarter, the initial fee will be based on the market value on the account inception date and will be prorated based on the number of days in the billing period. In the event of contract termination, the fee shall be prorated to the date of termination. No fee adjustment will be made during any fee period for appreciation or depreciation in account asset value during that period.
2. In Arrears. The quarterly fee will be billed in arrears for the previous quarter based on the market value of assets under management on the last business day of the previous quarter. For agreements beginning intra-quarter, the initial fee will be based on the market value of the account inception date and will be prorated based on the number of days in the billing period. In the event of contract termination, the fee shall be prorated to the date of termination. If assets are withdrawn during the quarter, F/m may prorate the fee for the number of days services were provided during the quarter prior to the withdrawal.
3. Averaging.
 - a. Average Capital Base: Using this method, the management fee for the first calendar quarter is calculated on the average capital base of the assets placed under its supervision and determined as of the last day of the calendar quarter. The average capital base is calculated using the beginning market value of the account and adding to this value the time-weighted net contributions and withdrawals of capital during the quarter in order to determine the billable asset value. Management fees charged by F/m on subsequent calendar quarters will be calculated on the average capital base of the account as determined at the close of business on the last business day of each calendar quarter. Such fees shall be calculated using the prior quarter-end market value, and adding to this value the time-weighted net contributions and withdrawals of capital during the last quarter to determine the billable asset value.
 - b. Average Market Value: Fees are calculated on a quarterly basis, in arrears, based on the average of the market values in the current billing period.
4. Incentive allocation. Allocations are calculated on an annual basis, in arrears, based on the calculation of net profits or net losses during the period, provided all previous net losses have not been subsequently offset by net profits.

SMAs may incur certain charges imposed by custodians and other third-parties, which may include charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, custodial fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction costs. Such charges, fees and commissions are exclusive of and in addition to the advisory fee.

See Item 12 - Brokerage Practices below for additional information.

Fees for Managed Funds

The investment advisory fees we receive as an adviser or sub-adviser to Managed Funds are described in the registration statements and/or financial filings of those funds, including the prospectus and SAI.

When we invest in shares of a fund we advise or sub-advise, we do not charge an investment management fee.

Instead, we exclude those mutual fund assets when we calculate the investment management fees charged to you.

Wrap and Model Program Fees

We participate in several Wrap Programs and Model Programs (collectively, the "Programs"), as described in **Item 4 – Advisory Business**, which are sponsored by unaffiliated investment advisory and/or brokerage firms. As a client in such a Program, you should carefully review the Wrap or Model Sponsor's Form ADV for complete details regarding the Program, including the risks, fees and expenses of the Programs. The minimum account size of such Programs is determined by the Wrap or Model Sponsor, and we reserve the right to waive or reduce the minimum account size at our discretion. As a client participating in these Programs, you may be charged various Program fees in addition to the advisory fee charged by us. All such fee disclosures will be provided in the Program Sponsor's ADV Part 2A.

Other Advisory Services

Fees for these other advisory services are negotiated and depend upon the complexity and nature of the assignment. Asset based fees are typically billed quarterly, in advance, unless other arrangements are negotiated. The client and F/m generally have the right to terminate the agreement upon 30 days' written notice. Any unearned prepaid fees are prorated and returned to the client. The client pays agreed upon expenses due but not paid.

We have arrangements with other advisory firms where we have discretionary authority over client assets, however, we are not the client's primary adviser and instead act in a sub-advisory capacity. Fee arrangements with these accounts are generally negotiated individually based on the needs of the client, size of the account, and services provided to such accounts.

Additional Fee and Expense Information

Clients may generally terminate their investment advisory agreement within five business days of signing the agreement. Thereafter, the advisory agreement typically will be cancelable on 30 days' notice. Clients receive a refund of a portion of any fees paid in advance, prorated based on the number of days in any quarterly period after termination.

Clients may incur other expenses while having their investments managed by us including brokerage transaction costs, markups and markdowns, and custodial fees that are separate and distinct from our advisory fees. We do not reduce our advisory fees to offset such expenses, including, without limitation, commissions charged for brokerage services or fees charged by clients' custodians.

We do not accept compensation for the sale of securities or any other investment products, including service fees from the sale of mutual funds. We strive to be an independent Adviser at all times and always put our clients' interests first. Our brokerage practices are discussed in more detail in **Item 12 – Brokerage Practices**. Clients with individually managed portfolios have the option of purchasing the investment products we recommend through other brokers and agents with no affiliation to us.

Each prospective and existing management client should carefully consider the following information about management services and contact their Client Service Rep if they have any questions.

1. Each mutual fund in which a client's assets may be invested also charges its own internal management fees and other expenses (including 12(b)-1 fees, if applicable) which already have been deducted from the fund's reported performance. A client may be able to invest directly in the shares issued by a mutual fund with or without incurring any sales or advisory service fees. In addition, there are tax effects pertaining to fund share redemptions made by F/m on behalf of clients. Redemptions are taxable events that may accelerate the recognition of capital gains, and frequent redemptions may result in short-term, rather than long-term capital gains.
2. The amount of fees paid by clients receiving management services will vary from client to client based on the type of account and investment needs of the client. Thus, clients receiving similar advisory services will pay different fees.

3. Although F/m believes its management services are competitively priced, clients may be able to obtain similar services at lower prices if acquired elsewhere.

All fees are negotiable and generally will not exceed amounts quoted in the preceding schedules but may under certain circumstances. Affiliates, employees and former employees of F/m, as well as their relatives, typically receive a discount from the preceding fee schedules or, in some cases, may not pay an investment management fee at all.

Item 6- Performance-Based Fees & Side-By-Side Management

In certain limited instances, F/m receives performance-based fees from certain eligible institutional clients. Although such arrangements are not typical for us, in the instances where we receive performance-based fees, these arrangements are designed to comply with applicable rules, including Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act"). We may negotiate performance-fee arrangements with clients on an individualized basis.

Simultaneously managing performance-based fee arrangements alongside standard asset-based fee arrangements creates certain conflicts of interest, particularly when allocating investment opportunities, given the possibility of greater fees from accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees. Performance-fee arrangements may create an incentive for us to focus resources on the performance-fee accounts or to select riskier investments for these accounts because they can have a higher potential over standard asset-based fee accounts within the same investment strategy. To manage the conflicts, F/m has compliance procedures in place that we believe are reasonably designed to mitigate these conflicts. To address these types of conflicts, we have adopted policies and procedures which promote the allocation of investment opportunities in a manner consistent with our obligations as an investment adviser. To further manage these types of conflicts, we have implemented Side-by-Side Management policies and procedures that are designed in part to manage and mitigate the potential conflicts arising from the management of traditional investment portfolios alongside alternative investment portfolios, including conflicts arising from differences in fee structures.

F/m seeks to ensure that all clients are treated fairly and equitably over time regardless of the type of client, level of services provided, or the nature of its fee compensation.

Item 7 - Types of Clients

F/m makes its advisory services available to a wide variety of clients, including but not limited to, individuals, high-net worth individuals, investment companies (mutual funds and ETFs), qualified retirement plans (pension, profit-sharing, SEP IRA, defined benefit), institutions, corporations and other business entities, trusts, estates, charitable organizations, clients of independent financial advisers, other registered advisers through sub-advisory agreements and wrap and model portfolio programs.

Minimum Account Size

The minimum account size for individually managed account clients in our strategies varies with select strategies as low as \$50,000 and other strategies available from \$1,000,000 and others from \$5,000,000.

F/m may, in its sole discretion, waive its minimum account size and/or minimum fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). These guidelines apply only at the start-up of an account and may be waived or changed at our discretion during the life of the account. There are no restrictions placed on maintaining the account after start-up. All fees are subject to negotiation, but the minimum fee will not exceed the quoted amount.

Item 8 - Methods of Analysis, Investment Strategies & Risk of Loss

Investing in securities involves the risk of loss that clients should be prepared to bear. F/m does not have a single strategy or program that is used for all advisory clients. Rather, strategies adopted for, or recommended to, particular clients are based on the individual needs and objectives of each client. Client portfolio parameters may vary due to the industry in which the client is involved or the goals for the portfolio (e.g., maximizing current income, asset preservation, or attainment of a certain yield over a defined period of time). Despite this relative diversity in clients' needs and objectives, F/m frequently uses common portfolio management strategies, where applicable, to manage similar portfolios with similar needs and objectives in similar ways. Neither F/m, nor the third party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by F/m.

When making investment decisions, F/m uses many sources of information including all publicly available filings, financial periodicals, research materials prepared by others, data services, and Wall Street analysts. Asset allocation software and historical performance modeling software may also be used.

Methods of Analysis

Cyclical Analysis: In this type of technical analysis F/m seeks to measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Fundamental Analysis: F/m attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Mutual Fund and/or ETF Analysis: F/m may look at the experience and track record of the manager of a mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We may also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio.

Quantitative Analysis: F/m may use mathematical models to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share and predict changes to that data.

Technical Analysis: F/m seeks to analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company.

Third Party Money Manager Analysis: F/m may examine the experience, expertise, investment philosophies, and past performance of independent third party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We may monitor the manager's underlying holdings, strategies, concentrations and leverage as part of the firm's overall periodic risk assessment. Additionally, as part of our due-diligence process, we may survey the manager's compliance and business enterprise risks.

Investment Strategies

Fixed Income

Genoa Opportunistic Income

The Opportunistic Income strategy seeks to maximize total return, including both income and appreciation, by identifying undervalued and opportunistic sectors and securities in the US fixed income markets. The strategy uses a "go anywhere" domestic approach to seek higher levels of total return compared to sector-specific or target-duration strategies.

Oakhurst Core Fixed Income

The Oakhurst Core Fixed Income strategy seeks current income and growth of capital, while striving to optimize the risk return tradeoff. Over a complete market cycle, the strategy seeks to outperform the Bloomberg US Aggregate Index by 75-100 basis points. Anticipated sources of excess return are centered in sector allocation

(40%), duration (40%), and security selection (20%). The strategy aims to maximize total returns for clients with risks below that of the broad market.

Oakhurst High Yield Short Duration Fixed Income

The Oakhurst High Yield Short Duration Fixed Income strategy seeks high current income, with capital growth a secondary focus. The strategy strives to outperform the ICE BofA 1-5 Year US Cash Pay High Yield Constrained Index on a risk-adjusted basis over a complete market cycle.

Oakhurst Short Duration Investment Grade

The Oakhurst Short Duration Investment Grade strategy seeks to provide preservation of capital, stable current income, strong liquidity, and minimal mark-to-market risk by investing in a high-quality diversified portfolio of relatively short maturity fixed income securities. The strategy seeks to consistently outperform the ICE BofA 1-3 Year US Corp and Government Index over a full market cycle. Anticipated sources of excess return are centered in sector weighting (35%), industry allocation (30%), security selection (25%), and duration/term structure (10%). The strategy aims to provide a conservative and transparent strategy focused on principal protection.

ZCM Core Fixed Income

The ZCM Core Fixed Income strategy invests in U.S. Dollar denominated investment grade securities and seeks to provide a total return in excess of the Bloomberg Aggregate Index. Portfolios include a mix of primarily U.S. Government/Agency, Corporate, and Asset-backed & Mortgage-backed securities. The portfolio uses sector rotation and security selection to add alpha over a full market cycle.

ZCM Enhanced Cash

The ZCM Enhanced Cash strategy's objective is to meet an individual client's short-term cash needs. The portfolio seeks to preserve capital and maximize current income, while matching our view regarding the current interest rate environment and its cyclical behavior over the next 12 months. The Enhanced Cash strategy is primarily comprised of repo, U.S. Government securities, U.S. Government agencies, and corporate bonds with a minimum credit quality of A-. The portfolio is benchmarked against 90-day treasury bills.

ZCM Intermediate Fixed Income

The ZCM Intermediate Fixed Income strategy seeks to provide a total return in excess of the Bloomberg Intermediate Government/Credit Index. Excess return is achieved primarily through sector rotation and security selection. The strategy manages risk through issue diversification. Portfolio duration is managed in line with the benchmark. Portfolios — when permitted by client guidelines — will invest in non-benchmark sectors opportunistically.

ZCM Short-Term Fixed

ZCM Short-Term Fixed strategy seeks to meet specific liquidity requirements by investing in individual securities with an average duration in line with the ICE BofAML 1-3 Year U.S. Treasury Index. An emphasis is placed on sector allocation and security selection as opposed to active duration management. The strategy seeks to maximize current income and preserve capital. The style uses U.S. government securities, agencies, corporate bonds, and collateralized mortgage obligations. The strategy seeks to enhance the performance of the ICE BofAML 1-3 Year U.S. Treasury Index.

Equity

Large Cap Core

The Large Cap Core strategy seeks to identify stocks that demonstrate a high potential for producing future excess returns. These stocks have attractive valuation and are supported by strong cash flows. Moreover, the strategy seeks to identify catalysts that show they have good probability of increasing in value. Our process exploits anomalies in behavioral finance that are supported by academic and proprietary in-house research, which suggest that investors have a tendency to form their expectations for future equity returns based upon past experience. This may lead to mispricing and potential opportunities for astute investors.

Large Cap Value Dividend Select

The Large Cap Value Dividend Select strategy invests in dividend paying stocks with market capitalization greater than \$1 billion. The strategy is managed with the dual objectives of outperforming the Russell 1000 Value Index and also producing a higher current yield than the benchmark index. The strategy strives to be well-diversified, with representation across all eleven of the major sectors comprising the U.S. equity market. The bottom-up

security selection process seeks to invest in dividend-paying stocks that provide attractive fundamental value and demonstrate high-quality earnings growth relative to their sector peers.

FAMCO Covered Call

The FAMCO Covered Call strategy seeks to produce equity-like returns with lower volatility and lower beta. The strategy invests in a diversified portfolio of approximately 30-50 domestic equity securities which are combined with an active covered call writing strategy on each individual equity holding. The option overlay strategy is optimized for each equity position and dynamically managed seeking to maximize call premium income while minimizing exercise risk. Actively managing both the equity holdings and the call option strategy aims to capture some upside appreciation potential during increasing markets and generates income that attempts to reduce risk exposure during declining markets.

Red Granite Large Cap Growth

The Red Granite Large Cap Growth strategy uses a fundamental, bottom-up approach designed to identify the most attractive, high-quality portfolio investments. The strategy seeks to outperform the Russell 1000 Growth index over a market cycle with reduced risk and less volatility. We seek to own companies with strong, competitive positions and proven, sustainable business models for growth.

ZCM High Dividend Equity

The ZCM High Dividend Equity strategy consists primarily of U.S. stocks, with opportunistic use of international companies available in the form of American Depositary Receipts ("ADR"). ADRs hold 30 to 40 securities with equal weightings to each investment and a target of 2%-5% cash. By leveraging quantitative and qualitative measures, the strategy seeks to identify stocks that are likely to provide a growing income stream and price appreciation. The investment process is focused on a unique combination of companies with a strong history of dividend growth and a significantly higher yield than the S&P 500 index. Additionally, the strategy requires that these companies have a "healthy" payout ratio (i.e. less than 100%) to indicate that not all cash flows are used to support the dividend. Lastly, the Firm looks to add these positions to the portfolio when they find the company valuations to be cheap.

Mid Cap Core Concentrated

The Mid Cap Core Concentrated strategy employs fundamental analysis to identify the most attractive companies within each sector that possess improving outlooks, a high cash flow return on investment and quality management teams. The portfolio includes 55 to 65 stocks which are selected on the basis of sector and industry diversification with an emphasis on risk control.

MVP Small Cap Core

The MVP Small Cap Core strategy uses a fundamental, bottom-up approach designed to identify underpriced securities with a strong potential for long-term appreciation. The investment process starts with a deep fundamental analysis of the universe by our sector specialists who then evaluate projected levels of cash flow return on investment to identify those stocks that provide the highest potential appreciation. The portfolio is then constructed using what we believe are the most attractive stocks by sector with a focus on risk management strategies.

MVP Small Cap Growth

The MVP Small Cap Growth strategy uses a fundamental, bottom-up approach designed to identify underpriced securities with a strong potential for long-term appreciation. The investment process starts with a deep fundamental analysis of the universe by our sector specialists who then evaluate projected levels of cash flow return on investment to identify those stocks that provide the highest potential appreciation. The portfolio is then constructed using what we believe are the most attractive stocks by sector with a focus on risk management strategies.

Large Cap Focused

The Large Cap Focused strategy seeks long-term growth of capital with downside risk reduction by investing in large capitalization US companies with accelerating revenues and earnings. The manager's proprietary QuantActive process seeks to combine technology-based, quantitative analysis with active, qualitative management to enhance stock selection and manage risk.

Risk of Loss

All investment programs have certain risks that are borne by the investor and there is no guarantee that any investment strategy will meet its objectives. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks, listed in no particular order:

Bank Obligation Investments: Bank obligations may be more susceptible to adverse events affecting the U.S. banking industry. Banks are highly regulated and any decisions by regulators that limit the loans a bank may make or the interest rates or fees they charge, may negatively impact a bank's profitability.

Business Risk: Business risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Credit Risk: The issuer or guarantor of a fixed income security will be unable or fail to make payments of interest or principal on its securities or default on its obligations.

Concentration of Investments: Because some of our strategies have a high percentage of total assets invested in a small number of portfolio holdings, any single loss may have a significant adverse impact on the portfolio value.

Convertible Securities Risk: After its purchase, a non-equity investment directly or indirectly held by a portfolio, such as a convertible debt obligation may convert to an equity security (converted investment). Alternatively, a portfolio may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. Challenges in liquidating the converted investment at an advantageous time may impact the performance of the portfolio.

Counterparty Risk: Other parties to an agreement or a participant in a transaction, such as a broker-dealer, might default on a contract or fail to perform by failing to pay amounts due or failing to fulfill the obligations of the contract or transaction.

Currency Risk: International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Cybersecurity Risk: The Firm maybe be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of services attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting F/m or its service providers may adversely impact clients. For instance, cyber-attacks may interfere with the processing of transactions, cause the release of private information about clients, impede trading, subject clients and the Firm to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which clients may invest, which could result in material adverse consequences for such issuers and may cause F/m's investment in such issuers to lose value.

Foreign Exchange Risk: Certain mutual funds and SMAs invest in foreign securities that are purchased and held in foreign currencies. The value of the United States Dollar relative to foreign currencies may fluctuate creating valuations that do not necessarily represent a security's performance in its native currency. An investor may partially or fully hedge this exposure which may result in additional transaction costs and may limit the portfolio's performance or ability to invest in select securities.

Frequent Trading and Portfolio Turnover Risk: Certain strategies may invest on the basis of short-term market considerations and will make frequent trades in securities, which can result in higher transaction costs and higher levels of current tax liability, which can adversely affect a portfolio's performance.

Growth Investment Risk: Securities that have high valuation ratios and high expected profitability may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the portfolio to at times underperform equity funds that use other investment strategies.

High Yield Securities. High-yield securities (also known as "junk bonds") are often considered to be speculative and involve greater risk of default or price changes than investment grade fixed-income securities due to changes in the issuers or the market's perception of an issuer's creditworthiness. The issuers of these securities may not

be as financially strong as the issuers of higher rated securities. Prices of lower-rated securities have been found to be less sensitive to interest rate changes and more sensitive to adverse economic changes and individual corporate developments than more highly rated investments. When a security's rating is reduced below investment grade, it may be more difficult for the portfolio to receive income from its investment.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. In addition, interest rate changes typically have a greater effect on prices of longer-term fixed income securities than shorter-term fixed-income securities.

Leverage Risk: Certain strategies use leverage in the investment programs, including the use of borrowed funds and the use of short sales. Leverage is a speculative technique that may adversely affect investors. If the return on securities acquired with borrowed funds or other leverage proceeds does not exceed the cost of the leverage, the use of leverage could cause the investor to lose money. There is no assurance that a leveraging strategy will be successful.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties and certain small cap securities are not.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Momentum or Growth Investment Risk: Momentum or growth stocks may perform differently from the market as a whole and following a momentum or growth-oriented investment strategy may cause a portfolio to at times underperform equity funds that use other investment strategies.

Option Risk: Writing call options can reduce the risk of owning equity securities to the extent of the premium earned, but it limits the opportunity to profit from an increase in the market value of stocks. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of the option strategies, and for these reasons the option strategies may not reduce the funds' volatility to the extent desired. This may result in lower performance than if the strategies were not used.

Prepayment Risk: Accounts that invest in income securities bear the risk that an issuer will exercise its right to pay principal on an obligation (such as an asset-based or mortgage-backed security) earlier than expected. This may happen during periods of declining interest rates. Under these circumstances, an account may receive a lower-than-expected yield and may be forced to reinvest in lower yielding securities.

Quantitative Model Risk: When executing an investment strategy using quantitative models, securities or other financial instruments selected can perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.

Reinvestment Risk: Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

REIT Trading Risk: REITs are investment companies that are bought and sold on a national securities exchange. Unlike mutual funds, REITs do not necessarily trade at the net asset values of their underlying holdings, which means a REIT could potentially trade above or below the value of the underlying portfolio. Additionally, because REITs trade like stocks on exchanges, they are subject to trading and commission costs unlike some mutual funds. Also, both mutual funds and REITs have management fees included in their costs, and the portfolios indirectly share a proportionate amount of these costs.

Repurchase Agreement Risk: The price paid for a particular loan or security in the Small Business Administration

("SBA") pool may be less than the purchase price because of interest rate movements, supply and demand, and other factors. Repo counterparties could fail to repurchase the loans and securities upon demand and could result in the actual loans and securities being delivered to a client's account.

Short Positions Risk: A short sale of an instrument entails the theoretical risk of an unlimited increase in the market price of an instrument, which can in turn result in significant losses to a client. Purchasing instruments to close out a short position in such instruments can itself cause the price of the instrument to rise further, increasing losses. Furthermore, a client may be forced to close out a short position in a security prematurely if a lender of such security demands the return of the security sold short.

Small/Mid-cap Risk: Stocks of small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

Structured Product Risk: These types of products are often based on derivatives and are intended to be "buy and hold" investments and are not liquid instruments.

U.S. Government Securities: Some U.S. Government securities, such as U.S. Government agency notes and bonds, are neither insured nor guaranteed by the U.S. Government, meaning they are only supported by the right of the issuer to borrow from the U.S. Government or by the credit of the agency issuing the obligation. If the strategy invests in a quasi-government security that is not backed by the U.S. Government, there is no assurance that the U.S. Government would provide support, and the strategy's performance could be adversely impacted if there is a deterioration in the financial condition of the issuer.

Item 9 - Disciplinary Information

The Firm has no disciplinary history to report.

Item 10 - Other Financial Industry Activities & Affiliations

F/m is a wholly owned subsidiary of ZCM, a majority owned subsidiary of F/m Managers Group, LLC ("FMG"), which is a wholly owned subsidiary of 1251 Capital which is a financial services holding company. While there are other subsidiaries under FMG, F/m does not have any material business dealings with such affiliates.

David Littleton, Chief Executive Officer of F/m, owns entities for the sole purpose of renting real estate properties. Mr. Littleton is not involved in the day-to-day operations of the management of these properties and clients of F/m are not offered or solicited to participate in these real estate investments. Mr. Littleton is also a passive minority shareholder of Key Bridge Compliance, LLC ("Key Bridge"), an outsourced compliance consulting firm for registered investment advisers. While this may not be an inherent conflict of interest, Key Bridge monitors Mr. Littleton's personal trading accounts and activities (as discussed in **Item 11 – Code of Ethics**) to detect potential personal profit based on this passive investment. The Code of Ethics includes a reminder that Mr. Littleton owes a fiduciary duty to the clients of F/m which requires Mr. Littleton put the interests of F/m's clients ahead of his own. Mr. Littleton and Mr. Morris have an ownership interest in, and control of, Oakhurst Capital Management, LLC ("OCM") an investment adviser registered with the SEC. OCM has a sub-advisory relationship with F/m in which F/m manages OCM client assets when suitable and consistent with the client's investment objectives and in accordance with certain related strategies. As indicated above, OCM is under common control with F/m, and in addition, certain investment adviser representatives maintain registration at both OCM and F/m. OCM has a potential conflict of interest to use F/m to sub-advise on these assets as a result of Mr. Littleton's and Mr. Morris' ownership interest in OCM and control of F/m. OCM believes there is a reasonable basis that its sub-advisory relationship with F/m and OCM's fixed income strategies are consistent with the best interests of OCM clients and clients do not pay a higher overall fee for the sub-advisory relationship between OCM and F/m. In addition, this arrangement provides our firm and clients with access to certain trading resources, technology, and reporting that we believe are ultimately beneficial to F/m's clients.

EmStone Advisers, LLC ("EmStone"), a registered investment adviser, is a subsidiary of Emerald Advisers, LLC which, in turn, is a subsidiary of FMG. EmStone has engaged the Adviser to be a sub-adviser to manage investment strategies for certain of EmStone's clients.

The Adviser has adopted policies and procedures designed to address conflicts, including policies restricting

trading in a security when an affiliate notifies the Adviser that the affiliate has material non-public information about the security and/or issuer. As a result, the Adviser may not be able to dispose of a security at a favorable time or take advantage of investment opportunities that would be available to it but for its affiliation with such affiliates.

As noted above in **Item 4 – Advisory Business**, the Adviser provides advisory services to Managed Funds. From time to time, the Adviser may recommend that clients buy or sell shares of the funds to which advisory services are provided. While F/m endeavors at all times to put the interests of clients first as part of its fiduciary duty, clients should be aware that F/m's receipt of compensation for managing these funds creates a conflict of interest. When we invest in shares of a fund we advise, we do not charge an investment management fee on those assets. Instead, we exclude those mutual fund assets when we calculate the investment management fees charged to you.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

F/m has adopted and enforces a Code of Ethics ("Code") in accordance with Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act of 1940. All employees are Supervised Persons subject to the Code. The Code is designed to prevent the misuse of material, non-public information by F/m or any of our Supervised Persons. The Code requires that both at hire and then annually thereafter Supervised Persons acknowledge receipt and report violations of the Code, in addition to complying with applicable federal and state securities laws. The Code requires that whenever acting in a fiduciary capacity, Supervised Persons strive to put the client's interest ahead of ours. F/m's Supervised Persons will not engage in fraudulent, deceptive or manipulative conduct with respect to clients, and will act with appropriate care, skill and diligence. The Code sets forth specific provisions relating to Supervised Person's outside business activities, political contributions and confidentiality.

Supervised Persons who are also Access Persons are subject to the personal securities trading policy of the Code intended to deter and prevent insider trading. The personal securities trading policy sets forth trading restrictions and mandatory quarterly and annual reports of Access Person's transactions and holdings. Access Persons are permitted to invest for their own accounts, which may include investments in F/m's products or in the same securities F/m selects for F/m client accounts. This creates a potential conflict of interest because our employees may have an incentive to execute their orders in front of our clients. To mitigate this conflict, the Code imposes restrictions (e.g., blackout periods, holding periods, restricted securities, and watch lists) on trading in securities that are or may be held in client accounts. Any exceptions to the Code must be pre-approved by the Compliance Department. Such approval will be given only where it is clear that the proposed activity would not create a potential conflict of interest or harm, disadvantage, or deprive any client of an opportunity. In the event of a potential conflict of interest, the foremost consideration is what is in the best interest of the client.

A copy of the F/m's Code of Ethics is available upon request by calling our Compliance Department at 312-368-1442, emailing us at compliance@ZCM.com or by sending a written request to: F/m Investments, 30 South Wacker Drive, Suite 2800, Chicago, IL 60606, Attention: Compliance

Item 12 - Brokerage Practices

Investment Discretion

In accounts where F/m has been granted investment discretion, the Adviser has the authority to determine the securities or other assets to purchase or sell in the account. This discretion will remain in effect unless revoked by the client. Once a client account is initially funded, F/m will opportunistically implement the intended investment strategy. The actual funding of the account will serve as explicit authorization that the account is active and should be traded. This is applicable for all accounts, including any Wrap Program accounts.

In accounts where F/m has not been granted discretion, F/m makes recommendations to the party with discretion but does not have authority to implement such recommendations. In these instances, F/m does not supervise the assets nor select broker-dealers for execution.

Broker-dealer Selection

When granted investment discretion, F/m selects broker-dealers to execute transactions on behalf of clients with the broker-dealer that the Adviser believes is most qualified to handle a trade for a specific security. F/m's Brokerage Practices Committee ("BPC") maintains F/m's Approved Broker List which contains the broker-dealers approved to execute client transactions. Each broker-dealer on the Approved Broker List has undergone initial due diligence which includes an evaluation of regulatory disclosures and an examination of potential conflicts of interest with F/m or its Supervised Persons. Each quarter, the BPC monitors broker-dealers in light of F/m's duty to obtain "best execution" which considers both quality of execution and transaction costs.

Several factors are considered in selecting a broker-dealer, including but not limited to, particular expertise in the type of position or transaction; access to relevant markets and prior experience with the broker-dealer; and commission rates. We may also consider research and/or brokerage services available from the broker-dealer. After considering the factors we believe are relevant to the services, we may determine to pay a commission in excess of that which the executing broker-dealer might have charged for effecting the same transaction in recognition of the value of research services provided. If securities orders are placed with broker-dealers that do not make a market in a particular security, such orders subsequently may be executed with or through a market maker in that security. In such event, there may be a mark-up/down on the price of the security in addition to the commissions or other fees paid to the clients' broker-dealers and custodians.

Directed Brokerage

Our clients may provide us with written direction to effect all, or a portion, of their portfolio transactions through particular broker-dealers ("Directed Brokerage"). However, we believe that our clients are more likely to receive the best results on transactions executed for their accounts where we are not limited in selecting the executing broker-dealer. Such direction to utilize a particular executing entity (a "Directed Broker") may be conditioned by the client on the broker-dealer being competitive as to price and execution of each transaction, or may be subject to varying degrees of "restrictions" (i.e., an instruction to utilize the broker-dealer whether or not competitive, or at specified levels of commission or commission discounts which are less favorable than we might otherwise attain). In the case of "restricted" designations, we generally will execute transactions in listed equity securities through the designated broker-dealer. On the other hand, unless the client has specifically directed that the designated broker-dealer be utilized for all transactions, without exception and regardless of the possible economic disadvantage to the client, we sometimes will not follow such general direction when, in our judgment, the designated broker-dealer will not afford the best price and execution. The following describes the manner in which transactions for Directed accounts will be handled, and it provides important information regarding Directed Brokerage arrangements in general:

- We may or may not be able to achieve best execution when we are directed to use a client's Directed Broker depending on the Directed Broker the client has instructed us to use, the proportion of brokerage the client has instructed us to direct, the securities that we are buying or selling for the client account, and/or the fees that client has agreed to pay to the Directed Broker.
- We will generally not negotiate commission rates with the client's Directed Broker.
- Directed Brokerage accounts may not generate the same returns as similar, non-directed accounts in the same strategy due to the disadvantages discussed above.

Order Aggregation and Allocation

We may aggregate orders of securities for multiple client accounts if such aggregation is reasonably likely to result in overall economic benefit to clients based on an evaluation that the clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. Trade aggregation combines orders for a number of client accounts into a single "block" in order to seek a more advantageous net price and treat all clients fairly. The benefit, if any, obtained as a result of such aggregation is generally allocated pro rata among the accounts of the clients that participated in the aggregated transaction. There may be situations in which one investment strategy is selling a security that another investment strategy is buying, in these cases orders will be placed in the sequence they are ready to trade and in accordance with our Trade Rotation practices.

The Adviser may use pro rata allocation when an aggregated order cannot be fully executed in a single day. In such cases, the portion of the order filled on a particular day is generally allocated among participating accounts

based on the size of each account's order. Such allocations are subject to the firm's ability to cancel or modify an order for one or more accounts if, the firm believes that as a result of the incomplete fill, the order is no longer appropriate for such accounts. The Adviser may apply a minimum order allocation amount, which may vary based on a market convention associated with the particular security. Where remaining positions are too small to satisfy the minimum allocation amount, we may decide to allocate the remaining shares to those accounts seeking large positions which remain unfilled or to allocate remaining shares to those accounts whose order would be completed as a result of the allocation.

The Adviser may allocate on a basis other than pro rata if, under the circumstances, such other method is reasonable, equitable, does not result in improper or undisclosed advantage or disadvantage to a particular account or group of accounts and results in fair access, over time, to trading opportunities for all eligible accounts. For example, we may identify investment opportunities that are more appropriate for certain accounts than others and may determine to allocate a partial fill to such accounts. Factors which the firm may consider in making allocation decisions include, among others: investment objectives and restrictions, cash availability and changes in cash flows, including current or anticipated redemptions, exchanges and capital contributions/withdrawals. Other allocation methods which may be used by the firm include random and rotational allocation.

Generally, strategies using covered calls will not be aggregated. The investment team typically executes the long stock positions in tandem with the corresponding short call options. Traders will attempt to execute these trades as a package.

Wrap Programs

Wrap Program trades have the ability to be aggregated with other non-directed trades; these are known as step-out trades. Stepping-out trades is a practice we will engage in, depending upon the Wrap Sponsor and the type of security, particularly fixed income wrap trades. We believe this practice enables us to obtain more favorable executions, including better pricing and enhanced investment opportunities, than would otherwise be available if orders were not aggregated. Using block transactions may also assist in avoiding the adverse effect of the price of a security that could result from simultaneously placing a number of separate, successive or competing client orders with multiple Wrap Programs.

Generally, F/m will direct maintenance trades through the Wrap Sponsor. Stepping-out these trades is usually not operationally efficient and will not likely add value since the transactions typically involve odd lots or smaller quantities of multiple securities.

In situations where F/m is able to step-out trades, the Wrap Program clients are likely to receive the same aggregated price as other F/m clients, but the Wrap Program client's overall transactional costs will be higher. In these situations, clients will pay transactions costs for the step-out trade as well as Wrap Program fees from the Sponsor, which are also inclusive of transaction costs. The commissions for each step-out trade placed by F/m will be added to the price of the security, and then the Wrap Sponsor will add on its fee. A portion of the commissions generated for these step-out trades is used by F/m to obtain soft dollar services, such as research, as described below.

Soft Dollars

In determining whether to effect clients' brokerage transactions through broker-dealers who provide us with "brokerage or research products or service" as that term is used in Section 28(e) of the Securities and Exchange Act of 1934, we review (i) whether the product or service is an eligible product or service under Section 28(e); (ii) whether the product or service provides us with lawful and appropriate assistance; and (iii) whether, in good faith, the commission is reasonable in consideration of the value received from the product or service. Furthermore, in addition to the 28(e) considerations, F/m takes into account the CFA Institute's Soft Dollar Standards and seeks to comply with those standards as well. The CFA Institute's standards limit such payments for research services only.

Although we will, whenever possible, allocate brokerage to broker-dealers providing both best execution and research (either directly or via soft dollar credits), the commissions paid to such executing entities are expected to be comparable to those paid to other broker-dealers not providing F/m with research or brokerage services. Moreover, we believe that soft dollar credits we receive from broker-dealers, viewed in terms of a particular transaction or our overall responsibility to all of our clients, are reasonable, although it is impossible to assign a

precise monetary value to such research and execution services. Research services and other data received as a result of the soft dollar credits may relate to a specific transaction but, for the most part, will consist of a wide variety of information, products and services useful to our clients and us.

Generally, we seek to obtain proprietary research products and services, which include a broad variety of financial and related information and services. These products and services assist the portfolio managers in the decision-making process as it relates to client portfolios and may include research related to information concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; data on pricing and availability of securities; financial publications; electronic market quotations; performance analytics; analyses concerning specific securities, companies, industries or sectors; and market, economic, financial studies and forecasts; and computer databases and quotation equipment. We will not use client commissions to obtain brokerage products or services related to the connectivity between our trade order management system, our broker-dealers and various execution venues.

We obtain soft dollar credits which assist us in rendering investment advice which we believe benefits all of our clients. It is possible that certain equity accounts may bear a disproportionate soft dollar "cost" for research which primarily benefits fixed income clients. We believe, however, that the soft dollar transactions we undertake are generally fair and that those clients who benefit most from the research obtained with soft dollar credits are those that mainly bear the soft dollar costs. Further, depending upon the specific mandate of a particular strategy, its transactions may be excluded from bearing any soft dollar costs. There may be other limited instances where certain transactions may be excluded from soft dollar commissions. Such a determination is based on a specific set of facts and circumstances and takes into account what is in the best interest of our clients.

F/m uses a Client Commission Agreement ("CCA"), administered by Instinet, to pay for the majority of 28(e)-eligible and CFA Soft Dollar Standards-eligible services. A majority of eligible services are paid for via the CCA program. The CCA program separates the considerations of broker-dealer selection from the process of payment for eligible services and thereby further allows us to seek best execution. As a part of this program, F/m negotiates the base execution rates with brokerage firms separately. It then sets another "tack on" amount to the trades with the brokers for research. This amount is sent to the Instinet account for payment of eligible services. Bills for eligible services are sent to Instinet for payment.

In other instances, F/m will also direct trading to brokers in order to access street research produced by those brokerage firms. F/m has controls in place that are designed to manage the conflicts associated with soft dollars. These include: oversight by the BPC for review and approval of soft dollar arrangements; periodic review of commission rates; review of the soft dollar process to determine that commissions used to acquire research were reasonable relative to the value of the research received; and monitoring execution of transactions in clients' portfolios, including for best execution.

Trade Order Rotation for Equity Securities

As it relates to equity tactical trades, F/m will rotate executions across broad trading categories ("Trade Categories"). The accounts are grouped largely based upon our ability to have control over the trading execution process. Accounts within each Trade Category will trade together, and the Trade Categories will be rotated. This will result in some Trade Categories trading later than others and thereby potentially receiving different prices for the same securities. The intention of the rotation is to ensure that all clients, regardless of Trade Category, are treated fairly and consistently over time.

Cross Transactions

Periodically, when it may be appropriate for one or more clients to purchase a security and for another client to sell the same security, we may, but are not required to, simultaneously place cross-trades with one or more broker-dealers or to effect the cross-trade through the applicable custodians in an attempt to seek the best execution for each client by obtaining reduced transaction or execution costs for each client.

F/m may have a conflict of interest, particularly where a limited market exists for the security, because the client-buyer's or the client-seller's financial interests may differ at the time of the transaction. However, F/m will not recommend any such transaction unless it believes it is suitable for both the client-buyer and client-seller. In determining the reasonableness of prices for cross transactions, F/m will examine the market for the particular investment including, where available, obtaining current bid and ask information on the security from an

unaffiliated broker-dealer, and F/m will make a determination as to what it believes to be a fair price at the time based on the information so obtained. Because cross transactions often involve investments that are less liquid, current price information may not be readily available.

We will not effect cross-trades for client accounts that are subject to ERISA. If applicable, we will only place cross-trades for mutual funds for which we provide investment management services in accordance with Section 17(a) of the Advisers Act.

Trade Errors

F/m employs a standard of care in the placement, execution and settlement of trades for its clients' accounts and generally considers any deviation from the standard a trade error. When a trade error occurs, F/m takes action to resolve the error with the objective to return the client's account to the position that it would have been in had there not been an error. F/m shall pay to correct any such error and shall reimburse a client for any loss resulting from an error. In the event the trading error results in a profit, the profit is retained by the client.

Item 13 - Review of Accounts

Client Service Reps and the portfolio management team review managed accounts on a regular basis. Portfolios are continuously monitored to ensure they are positioned correctly versus their respective current investment strategy's benchmark. Portfolio performance attribution is completed to understand the sources of return. A review of portfolio performance to composite performance is executed to ensure that any deviations are explained. The Compliance Department may also review client portfolios on a periodic basis in connection with testing of our policies and procedures.

The agreement between the client and the Adviser defines the nature of reports and account reviews and their frequency. Normally, each report includes information regarding investment results, in the absolute and relative to appropriate peer groups and benchmarks over a variety of time periods. SMA clients will receive transaction confirmations and monthly (quarterly if no monthly activity occurs) statements from the qualified custodian of their account. Clients may receive quarterly reports from F/m upon request. In addition, certain clients are provided with a monthly statement by F/m. Clients are urged to carefully review all custodial account statements and compare them to the statements and reports that may be provided by F/m.

Item 14 - Client Referrals & Other Compensation

Solicitation Agreements

F/m may enter into agreements with and compensate firms and individuals that refer prospective clients to the Firm. Typically, payments for referrals are a percentage of the customary advisory fee received by F/m from the referred client. Thus, a referred client pays no additional fee to F/m. At the time of solicitation, each referred client is provided with details regarding the referral arrangement before the client signs an advisory agreement with us. Such arrangements create a conflict of interest for the person or firm making the referral because of the fee the person or firm will receive for making the referral.

F/m negotiates compensation on a case-by-case basis with non-related entities that refer clients. To the extent it does so, F/m will comply with rules under the Advisers Act, including ensuring that any such direct advisory client is advised of the relevant referral and compensation arrangements.

Referral Arrangements

If you purchase the Managed Funds through a broker-dealer or other financial intermediary (such as the fund's distributor, financial institutions, plan sponsors and administrators, and other financial intermediaries through which investors may purchase shares of the fund), the Adviser and or its affiliates may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend our funds over another investment. Please contact your financial intermediary or plan administrator or sponsor for details about revenue sharing payments it may receive.

Item 15 - Custody

Other than obtaining authorization for deducting investment management fees, F/m does not take possession of client assets, and all discretionary and non-discretionary assets are held with the Custodian selected by the client. Clients should receive statements at least quarterly from the Custodian that holds and maintains the client's investment assets. F/m reconciles accounts with custodial records and urges clients to carefully review such statements and compare such official custodial records to the portfolio appraisals that F/m provides.

Item 16 - Investment Discretion

For discretionary accounts, F/m usually receives discretionary authority from the client at the outset of an advisory relationship to select securities and amount to be bought or sold. Discretionary authority to the Adviser is made in writing via an Investment Management Agreement or an amendment thereto. Clients may place restrictions on their accounts.

F/m does not have trading discretion over non-discretionary accounts, including certain Wrap and Model Programs.

Item 17 - Voting Client Securities

F/m will accept the authority to vote proxies for advisory clients if that responsibility is specifically accepted by the Adviser in the advisory agreement between F/m and the client. When F/m has accepted authority to vote proxies for advisory clients, it acts in a fiduciary capacity and therefore must act in the best interest of the client.

Upon assuming the authority to vote proxies for an advisory client, the client may select from several specific proxy voting guidelines that F/m has acquired from a third party proxy research and voting firm. The guidelines purchased may not always correspond with the opinions of F/m as to the clients' best interests. Therefore, there may be instances where F/m may not vote the client's shares in accordance with third party guidelines. Any deviation from the third party proxy voting guidelines will be documented and retained by the Compliance Department.

F/m has engaged with ProxyEdge for the use of its electronic system to oversee the administration of its proxy voting. In the event that shares are unavailable due to a securities loan agreement entered into by a client or for any other reason initiated by a client, F/m will not be responsible for voting proxies on the loaned or unavailable shares. Further, F/m is not responsible for voting proxies not received in a timely manner or for non-U.S. proxies.

We maintain records of proxy voting in accordance with the Advisers Act and will furnish proxy voting records regarding a client's securities upon written request by the client. Additionally, a copy of our current proxy voting policies and procedures will be provided upon request. Clients may request copies of their proxy voting records by calling the Compliance Department at 312-368-1442, or emailing compliance@zcm.com or by sending a written request to: F/m Investments, LLC, 3050 K St NW, Suite 201, Washington DC 20007. Attn: Compliance.

Item 18 - Financial Information

The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. The Adviser does not require prepayment of fees six months in advance or have any other events requiring disclosure under this item of the brochure.

ERISA SECTION 408(b)(2) DISCLOSURE NOTICE

With respect to retirement plan clients subject to ERISA, F/m serves as a fiduciary to such clients pursuant to Section 3(21) of ERISA and by virtue of being a registered investment adviser providing fee-based advisory services. F/m provides discretionary investment management services to the portion of plan assets that are assigned to F/m's management, which services include determining the specific securities in which to invest such plan assets, as well as the specific brokers through which to trade such securities.

Direct Compensation. As set forth in the "Fees and Compensation" above, for its services, F/m accepts direct compensation in the form of fees. Each client's applicable fees are negotiated and set forth in the applicable Investment Management Agreement pursuant to which F/m manages the plan's account.

Indirect Compensation. F/m does not receive indirect compensation from any of the issuers of securities held in client accounts (such as 12b-1 or similar fees). From time to time, F/m may receive research reports from broker/dealers through which it executes brokerage transactions in a client account. In selecting brokers to execute client transactions, F/m does not base its decision solely on the research provided by such broker; rather, consistent with its fiduciary obligations, F/m selects brokers on the basis of "best execution" considering all relevant circumstances. For more detailed discussion of the factors considered in selecting brokers, see **Item 12 - Brokerage Practices** in this Brochure.