

Item 1 Cover Page

Rialto Wealth Management
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March 14, 2024

This brochure provides information about the qualifications and business practices of Rialto Wealth Management, CRD# 319411. If you have any questions about the contents of this brochure, please contact us at 315-992-9129. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Rialto Wealth Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

There have been no material changes to this brochure since the date of the last annual updated noted below.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was March 15, 2023.

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Item 4 Advisory Business

Rialto Wealth Management (“Rialto” or “Advisor”) is an investment advisor firm registered with the United States Securities and Exchange Commission (“SEC”).

The principal owners of Rialto are Michael L. Antonacci, Member, Edward J. Barno, Member, and Ethan D. Gilbert, Member and Chief Compliance Officer, Rachel Ryan, Member, Jeffrey H. Watson, Member.

Advisory Services

Rialto’s principal service is providing fee-based, fiduciary investment management and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client’s objectives. The Advisor primarily uses low-cost non-actively managed mutual funds and exchange traded funds to accomplish this objective. In addition, Advisor may recommend and use exchange listed securities, over-the-counter securities, CDs, United States government securities, and options on securities to meet a client’s investment needs. The advisor selects mutual funds and ETFs by using various criteria, such as cost, turnover ratio, exposure to the desired asset class, management’s tenure, and fund performance. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, reducing exposure to a specific security, sector, or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s total financial picture.

Qualified Retirement Plan Consulting Services

Rialto will offer pension consulting services to Qualified Plans and participant fiduciary advice to plan participants for assets held at Qualified Plans. The Advisor’s pension consulting services and participant fiduciary advice will be based on information obtained from the plan participant about goals and investment objectives, time horizon, risk tolerance and the plan participant's financial situation. In cases where Rialto provides ERISA Section 3(38) fiduciary investment services, Rialto is responsible for the implementation of recommendations for the Qualified Plans. Where Rialto provides ERISA Section 3(21) fiduciary investment recommendations, the trustee and the investment committee are responsible for implementation of recommendations and Rialto will not act on the plan participants’ behalf to implement these recommendations.

Rialto may offer other pension consulting services that include but are not limited to educational seminars, plan surveys, evaluations of vendor's services or special projects on behalf of the plan sponsor.

Additionally, Rialto Wealth Management LLC may provide services as follows for qualified retirement plans:

Fiduciary Services

The Advisor may perform the following Fiduciary Services:

- (i) Provide discretionary and non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s

investment policies and objectives. Client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options.

- (ii) Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder.
- (iii) Assist the Client in the development of an investment policy statement (IPS). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- (iv) Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.
- (v) Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- (vi) Provide discretionary and non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative (“QDIA”) for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

Non-Fiduciary Services

The Advisor may perform the following Non-Fiduciary services:

- (i) Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Advisor’s assistance in participant investment education shall be consistent with and within the scope of section (d) of the Department of Labor Interpretive Bulletin 96-1 (i.e., the definition of investment education). As such, the Advisor is not providing fiduciary advice (as defined in ERISA) to the participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- (ii) Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Advisor may provide these services or, alternatively, may arrange for the Plan’s other providers to offer these services, as agreed upon between Advisor and Client.

The Advisor's roles and actions in fulfilling all responsibilities pertaining to this Agreement shall not include those of the Plan's Trustee, and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will the Advisor accept, maintain possession of, or have custodial responsibility for, the Plan's assets. The Advisor will not conduct or effect the purchase or sale of any assets of the Plan on behalf of the Plan Sponsor or Plan Participants. The Advisor will not advise, in any manner, any Participant, person or entity related to the Plan other than the Plan Sponsor, except where the Participant is an advisory client of Rialto under a separate advisory agreement. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor, and shall not be represented by the Advisor or Plan Sponsor as investment, tax or legal advice. The Advisor is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.

Financial Planning

In addition to investment management services, Rialto may provide financial planning services to its clients. The Advisor's financial planning services may include recommendations for portfolio customization based on the client's investment objectives, goals and financial situation, recommendations relating to investment strategies as well as tailored investment advice. Financial planning may also include non-investment advice such as developing strategies to achieve retirement or other financial goals, tax optimization strategies, cash flow and budgeting analysis and recommendations, financing and financial education, estate planning, and asset protection strategies.

Rialto will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Rialto does not provide portfolio management services to wrap fee programs.

As of December 31, 2023, Rialto had \$305,185,000 in discretionary, and \$7,159,000 in non-discretionary client assets under management.

Item 5 Fees and Compensation

Asset Management Fees

The client will pay Rialto an annual management fee, payable quarterly in arrears, based on the fair market value of portfolio assets of the account on the last business day of the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

Assets Under Management:	Annual Fee:
First \$1 million	0.90%
Next \$1 million	0.75%
Next \$3 million	0.55%
Next \$5 million	0.35%
Over \$10 million	0.20%

Fees will be calculated on a blended tier schedule. For example, a \$2,000,000 account fee would be calculated annually as follows: $(\$1,000,000 \times 0.90\%) + (\$1,000,000 \times 0.75\%) = \$9,000 + \$7,500 = \$16,500$. These fees may be negotiated at the sole discretion of the Advisor. Asset management fees will be directly deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian, and the custodian will send a statement at least quarterly to the client.

Fixed Fees

Financial planning for investment management clients is included in the asset management fee. For financial planning clients that are not investment management clients, Rialto will charge either a one-time fee for comprehensive financial planning services of \$2,500 per plan, or an hourly rate of \$300 per hour, as contracted for with client in advance. Fixed fees may be negotiated at the sole discretion of the Advisor. Fixed fee-based clients are invoiced upon completion of work and delivery of the financial plan. Invoices are due upon receipt and may be paid by check or wire.

Fees for Qualified Retirement Plan Consulting Services

Plan Sponsor will pay the Advisor, as compensation for its services, an annual consulting fee, payable quarterly in arrears, based on the fair market value of the assets in the plan at the end of each quarter.

Plan Assets Under Management:	Annual Fee:
First \$1 million	0.50%
Over \$1 million	0.20%

Fees will be calculated on a blended tier schedule. The consulting fee in the first quarter of the Agreement shall be prorated from the inception date to the end of the quarter. The Advisor will operate as a fee-only fiduciary on all qualified retirement plans. The direct payment to the advisor will be determined by the plan document. Fees are negotiable at the sole discretion of the Advisor.

All fees paid to Rialto for investment management services are separate and distinct from the expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

At no time will Rialto accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Rialto's fees are not paid in advance.

Neither Rialto nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Rialto does not charge performance-based fees.

Item 7 Types of Clients

The Advisor will offer its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities.

The Advisor does not have any minimum requirements for opening or maintaining an account.

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

The Advisor primarily invests in broadly diversified, low-cost exchange traded funds and mutual funds. At the core of our investment strategy is modern portfolio theory and the effort to deliver the highest possible level of return for a given amount of risk.

Using historical data, we look at what combinations of asset classes have delivered high return, while minimizing risk, and maintaining a high level of diversification.

Knowing the desired asset classes, we seek securities that get exposure to those asset classes at the lowest possible cost. The mutual funds and ETFs ability to track the desired asset class and their cost is publicly available information.

The Advisor primarily invests in liquid products that trade daily in well-functioning capital markets.

The Advisor works to ensure the client's portfolio is taking a level of risk appropriate to their financial situation and personal risk tolerance. The mix of stocks and bonds is the main driver of portfolio volatility.

When appropriate we will build portfolios around existing holdings and may utilize options to protect against specific company or sector risk.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. The Advisor's clients are primarily exposed to systematic risks (e.g., the economy, wars, civil unrest, terrorism, concern about inflation, or unemployment, etc.). In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

The business risk in purchasing an annuity is that the financial strength of the insurance company issuing the annuity may decline and not be able to pay out the annuity obligation.

Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

Clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation.

Every type of investment, including mutual funds and ETFs (“funds”), involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. A fund's investment objective and its holdings are influential factors in determining how risky a fund is. Reading the prospectus will help you to understand the risk associated with that particular fund.

Generally speaking, risk and potential return are related. This is the risk/return trade-off. Higher risks are usually taken with the expectation of higher returns at the cost of increased volatility. While a fund with higher risk has the potential for higher return, it also has the greater potential for losses or negative returns. The school of thought when investing in mutual funds suggests that the longer your investment time horizon is the less affected you should be by short-term volatility. Therefore, the shorter your investment time horizon, the more concerned you should be with short-term volatility and higher risk.

Below is a list of some of the risks to consider when investing in mutual funds.

- **Call Risk.** The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Country Risk.** The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Credit Risk.** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Currency Risk.** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk.** The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk.** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk.** The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Interest Rate Risk.** The possibility that a bond fund will decline in value because of an increase in interest rates.
- **Manager Risk.** The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk.** The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk.** The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Item 9 Disciplinary Information

Neither Rialto nor its management persons have had any current or past legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Neither Rialto nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Rialto does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Rialto does not recommend or select other investment advisers for clients.

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

Rialto is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. Rialto has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Rialto deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Rialto are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Rialto collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Rialto will provide a copy of the Code of Ethics to any client or prospective client upon request.

Rialto does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Rialto and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Rialto can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To

mitigate these conflicts, Rialto has adopted a Code of Ethics as noted above. Rialto's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Rialto requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Rialto may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Rialto's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts, or to participate in an aggregated trade where all participants are treated equally. The Chief Compliance Officer examines personal trading activities of Rialto's personnel to verify compliance with this policy.

Item 12 Brokerage Practices

Rialto may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Rialto is independently owned and operated and not affiliated with Schwab. Schwab provides Rialto with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to Rialto other products and services that benefit Rialto but may not benefit its clients' accounts. These benefits may include national, regional or Rialto specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Rialto by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Rialto in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Rialto's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Rialto's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to Rialto other services intended to help Rialto manage and further

develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Rialto by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Rialto. While, as a fiduciary, Rialto endeavors to act in its clients' best interests, Rialto's recommendation / requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Rialto of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Rialto may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If Rialto does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of Rialto's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. Rialto believes that its recommendation / requirement that clients use the specific custodian is in the client's best interest based on the services that the custodian provides and the fees that the custodian charges.

Benefits received may be used as soft dollars provided that:

- The service is primarily for the benefit of Rialto's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- Rialto does not guarantee a minimum amount of commissions to any broker-dealer.

Rialto does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Rialto recommends that all clients use a particular broker-dealer for execution and/or custodial services. The client will provide authority to Rialto to direct all transactions through that broker-dealer in the investment advisory agreement.

As an investment advisory firm, Rialto has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Rialto's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Rialto may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Rialto may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g., for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Rialto's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Rialto may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

Item 13 Review of Accounts

The firm reviews client accounts on at least an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. The nature of the review is to determine if the client account is still in line with the client's stated objectives. Triggering factors may include Rialto becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation

weightings in the account that exceed a predefined guideline. Client accounts are reviewed by Ethan Gilbert, Member, Michael Antonacci, Member, Edward Barno, Member, Raschel Ryan, Member, and Jeffrey Watson, Member.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, broker-dealers and others who are involved with client accounts. Rialto may provide clients with separate, written quarterly reports showing account balances, asset allocation and account performance.

Item 14 Client Referrals and Other Compensation

Rialto is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Item 15 Custody

Rialto does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully.

Rialto may also provide quarterly reports to clients. Clients are urged to compare the account statement they receive from the qualified custodian with the quarterly reports they receive from Rialto. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

Rialto generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Rialto.

Discretionary authority will only be provided upon full disclosure to the client. All discretionary trades made by Rialto will be in accordance with each client's investment objectives and goals.

Item 17 Voting Client Securities

Rialto will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Rialto cannot give any advice or take any action with respect to the voting of these proxies. Clients will receive proxy solicitations from their custodian and/or transfer agent.

Item 18 Financial Information

Rialto does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to include a balance sheet with this Brochure.

Rialto has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Rialto does become aware of any such financial condition, this brochure will be updated, and clients will be notified.

Rialto has never been subject to a bankruptcy petition.