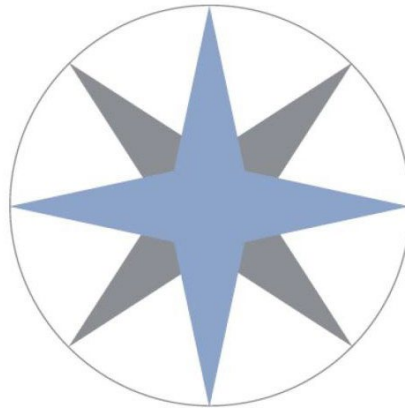


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This brochure provides information about the qualifications and business practices of Johnson+Sterling, Inc. If you have any questions about the content of this brochure, please contact us at 205-871-9940 and/or js@johnsonsterling.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Johnson Sterling is also available on the SEC's website at www.advisorinfo.sec.gov.

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Advisory Business

Johnson+Sterling, Inc. (JS) is an independent, fee-based investment adviser. Founded in 1976, JS serves clients throughout the United States. JS offers both discretionary and nondiscretionary investment advisory and management services. JS provides investment advice and pension consulting to persons or entities with various types of investment accounts, including, but not limited to, taxable, tax-deferred, tax-exempt, IRA and investment-only retirement accounts. JS consists of two divisions: (1) Johnson Sterling Asset Management, which provides investment advisory services to individuals, institutions, and entities other than Retirement Plan Sponsors and Participants; and (2) Johnson Sterling Retirement Services, which provides investment advice and fiduciary advisory services to Retirement Plans for both Plan Sponsor (employer) and Plan Participant (employee) levels. Plan Sponsors are employer entities that sponsor a Retirement Plan for the benefit of their employees. Plan Participants are employees who participate in an employer-sponsored Retirement Plan.

JS primarily provides Investment advice related to investing in shares of U.S registered open-end investment companies (“mutual funds”) and advice concerning other U.S registered investment advisers who manage or provide advice about various classes of assets, including mutual funds, for investors. JS offers investment advice in three different service categories:

- Discretionary Portfolio Advice (Advice and Portfolio Management)
- Nondiscretionary Advisory Service (Periodic Point-in-Time Advice)
- Investment Consultation Service (Single Point-in-Time Consultation)

With Discretionary Portfolio Service, JS is authorized to exercise its discretion in the management of the client’s investment portfolio, and to act on behalf of the client for any action in the account, in accordance with the portfolio’s investment strategy and the client’s financial profile and objectives.

Certain discretionary clients may be enrolled in a service known as 55ip, which is a registered investment advisor not affiliated with JS. 55ip provides advisory services pursuant to each Client’s investment advisory agreement, sub-advisory agreement, or trade list delivery services agreement with 55ip or its affiliates (each, an “Agreement”).

55ip provides an online investment strategy engine (“the “55ip Services Portal”) where JS can access model portfolios and select tax management services. JS directs 55ip to utilize one or more model portfolios comprised of mutual funds, exchange traded funds (“ETFs”), and/or stocks (“Models”) pursuant to their specifications. 55ip does not create the Models; instead, the Models are provided by JS.

55ip's services are offered through the use of 55ip's proprietary technology which incorporates a tax management technique referred to as "tax loss harvesting" that is primarily used in the following ways: "Tax-Smart Transitioning", "Ongoing Tax Management", and "Tax-Smart Withdrawals". 55ip's services

also include ongoing trading and rebalancing services, which generally accommodate cash management, periodic rebalancing and investment changes at a frequency agreed upon by 55ip and the Client. Client-



provided Models are assessed for rebalancing typically on a semi-annual basis. Notwithstanding the rebalancing frequency, other trades may occur in accounts outside of the rebalancing frequency related to tax loss harvesting or to accommodate cash management withdrawal/deposits.

55ip is engaged to provide non-discretionary trade list delivery services, 55ip provides buy and sell recommendations to JS at the individual account level, pursuant to a Trade List Delivery Services Agreement. JS then chooses when and whether to execute such trades in their underlying investors' accounts. 55ip does not maintain a direct relationship with, nor serve as an investment adviser to any underlying investor of JS.

With Non-Discretionary Advisory Service, JS only provides the client periodic, point-in-time investment advice, JS is not authorized to act at its discretion on behalf of the client, and JS is not responsible for taking any action in the portfolio on behalf of the client.

The Investment Consultation Service is a nondiscretionary, single point-in-time service, which assists clients seeking specific information on a one-time basis. JS is not authorized to act at its discretion on behalf of the client.

JS is registered with the Securities and Exchange Commission as an Investment Advisory and Pension Consultancy. (Please be advised that registration does not imply a certain level of skill or training). The principal owners of JS are Samuel Paul Johnson and Elizabeth Lee Rutherford. JS primarily provides investment supervisory services, and JS also manages a small number of investment advisory accounts that do not include investment supervisory services. JS provides a range of specialized, research-driven, risk managed investment advisory and financial consulting services to both individual and institutional clients. These services include: investment advisory and portfolio management services, retirement plan consulting, fiduciary planning services, employee benefits consulting, and retirement transition services. JS's investment process follows five basic steps, designed to build a diversified portfolio to meet our clients' long-term goals. These steps are to:

- Accurately assess the client's financial profile and help develop appropriate objectives
- Develop a financial/investment strategy tailored to the client's needs
- Implement the strategy
- Monitor the strategy with regular reviews
- Provide ongoing personal attention to the client and the client's financial objectives.

JS also works with institutional clients nationwide to optimize their benefits planning and retirement plan management systems. JS's goal is to provide the following to retirement plan sponsor clients:

- Fiduciary compliance and administrative services
- A wide range of investment options for the plan sponsor to offer participants
- Record keeping and plan administration assistance
- Participant retirement planning guidance and information
- Coordination of participants' retirement plan and non-retirement plan investment portfolio.



JS tailors advisory services to the individual needs of clients, and clients may impose restrictions on investing in certain types of securities.

As of December 31, 2023, JS manages \$480,800,000 in discretionary client assets and \$2,503,900,000 in nondiscretionary assets.

Fees and Compensation

Fee rates and types vary based on the service category selected and the specific scope of duties required by each client engagement. Types of fees charged to any given client may include any one or a combination of the following: level retainer fees, flat fees for specific projects, hourly fees, and/or asset-based fees. Fees are negotiable, and fees applicable to specific service categories are described in greater detail below. JS reserves the right, in its sole discretion, to waive or lower fees in certain instances. None of the fees charged by JS, including Retirement Plan Participant Service fees, are incentive or performance-based.

JS does not accept brokerage commissions on the sale of investment products, including mutual fund transactions; payments from other investment managers or mutual funds it recommends; or fees or payments resulting from any soft-dollar arrangements from any source.

Clients using 55ip are not charged any additional fees. 55ip works with select Model Providers who may choose to subsidize all, or a portion of the fees typically charged to Clients who invest in such Models. 55ip partners with select Model Providers who may choose to subsidize all, or a portion of the fees typically charged to Clients who invest in such Models. In these instances, the Model Providers pays the fees outlined above to 55ip in lieu of the clients. If these Model Providers decide to no longer subsidize the fees in the future, 55ip will begin charging the Sub-Advisory Client accounts according to applicable agreements. Fees and arrangements are explicitly detailed in each Client's agreement with 55ip.

Asset-based fees are charged in advance, and hourly and flat fees are charged in arrears. Clients in the Discretionary Portfolio Service generally authorize JS to deduct advisory fees, when due, directly from their accounts and, at the discretion of JS, to redeem at the then current net asset value, a sufficient number of mutual fund shares held in the client's account to pay fees when due. However, JS will invoice fees outside of a client's account at the client's request.

Certain clients may hold certain securities or other property for which JS does not provide investment advisory services ("unsupervised assets") in the same custody or brokerage account as the assets which constitute the portfolio managed or advised by JS. JS does not provide investment advisory services of any kind with regard to unsupervised assets, and no investment advisory fee will be charged on such assets. JS will have no duty, responsibility or liability with respect to the unsupervised assets, will not take the unsupervised assets into consideration when managing the portion of the account for which it provides discretionary or nondiscretionary investment advice, and will not include the unsupervised assets when calculating any asset-based JS advisory fee.



When a client agreement is terminated, any advance payment will be prorated for the remainder of the management period, and any unused portion will be refunded to the client.

Fees – Individual Discretionary Portfolio Service

Representative asset-based fee schedule:

<u>Account Balance</u>		<u>*Annual Fee</u>
First \$	5,000,000	up to 0.50%
Next \$	5,000,000	up to 0.35%
Next \$	10,000,000	up to 0.25%
Over \$	20,000,000	up to 0.20%

*The minimum annual fee per client is \$500

The maximum asset-based fee for the discretionary portfolio service shall not exceed an amount equal to 0.50% per year of total assets under management, subject to a minimum annual fee of \$500. JS may stack assets in related accounts of a single client to reach fee breakpoints, which are then applied pro rata across all related accounts. Clients are billed quarterly in advance, with the first quarter's fee prorated in arrears. The calculation is based on the market value of the client's account at the end of the prior quarter, multiplied by the applicable Annual Fee percentage rate(s) shown above, divided by 4.

Fees for the individual nondiscretionary advisory service and the individual investment consultation service are charged at hourly rates ranging from \$85.00 to \$500.00 per hour, depending on the scope of the engagement, the tasks required, including the frequency of scheduled reviews, and the person or persons at JS performing the required tasks. The per annum minimum fee for this service is typically \$500.00. Applicable hourly rates will be fully disclosed and agreed upon in writing in advance of an engagement. Actual fees are invoiced in arrears at the end of each calendar quarter for nondiscretionary advisory services, and are invoiced following the conclusion of the consultation for investment consultation services. Clients may also be charged out-of-pocket expenses for administrative services associated with the engagement such as the preparation of reports, printing, presentation media, paper, etc.

Fees for Retirement Plan Sponsor Services depend on the scope of an engagement with the Plan sponsor and the actual services provided in an engagement. Fees are negotiable and may include any combination of level retainer fees, flat fees for specific projects, hourly rate fees, and asset-based fees. The minimum annual fee per plan is typically \$500.00. In all cases, fees are agreed upon in writing in advance of an engagement and invoiced when due. Fees for advice provided to Plan Participants are separate and may be charged directly to Plan Participants, rather than Plan Sponsors. In some cases, however, Plan Sponsors may elect to pay Plan Participants' advisory fees. JS recognizes its responsibility to disclose any revenue-sharing arrangements with Plan clients, regarding 12(b)(1) or Sub-TA fees. JS, as stated in the ADV Part I,



has no affiliations with broker/dealer or third party recordkeeper, and therefore cannot directly accept 12(b)(1) or Sub-TA fees. However, clients may choose at their sole discretion to use their revenue sharing arrangements to compensate JS.

JS offers Plan Participants the same categories of services available to other Clients, as described above. However, plan participants are, of necessity, limited to the investment options available under each Participant's Plan. The fee schedule for each service at the plan participant level is typically as follows:

Fees – Discretionary Portfolio Service for Plan Participants

<u>Account Balance</u>	<u>*Annual Fee</u>
First \$5,000,000	up to 0.35%
Next \$5,000,000	up to 0.25%
Amounts above \$10,000,000	up to 0.10%

**The minimum annual fee is \$500.00*

This fee schedule appears in each Participant's Discretionary Portfolio Service Agreement and applies separately to each account a Participant elects to have managed by the service. However, JS may stack assets in related accounts of a single participant to reach fee breakpoints which are applied pro rata across the related accounts. Fees are asset-based and basis points are assessed against the Participants' account at the beginning of each calendar quarter. Fees are calculated by determining the balance of the Participant's retirement plan account that is being managed via the service at the end of the previous calendar quarter; multiplying the ending calendar quarter balance by the applicable annual basis points and then dividing by four, prorated for the calendar quarter. The resulting dollar amount is then rounded to the nearest one-hundredth dollar.

Participant fees are invoiced and deducted directly from the portion of the Participant's retirement plan account being managed under the service and remitted to JS. If the retirement plan service provider is unable to deduct fees automatically from Participant's accounts or if a Participant prefers not to deduct fees from the retirement plan account, fees can be paid to JS by check or deducted from another account.

Fees for plan participants nondiscretionary advisory services and investment consultation services are charged at hourly rates ranging from \$85.00 to \$500.00 depending upon the scope of the engagement, the tasks required, including the frequency of scheduled reviews, and the person or persons at JS performing the required tasks. The per annum minimum fee for the nondiscretionary advisory service is \$500.00, and actual fees are invoiced in arrears at the end of each calendar quarter. Actual fees for the Investment Consultation Service will be invoiced following the conclusion of the consultation. Generally, the expense of information/data gathering, data analysis and meeting preparation for the investment consultation service is charged at an hourly rate that will not exceed \$200.00 per hour, while meeting timewith an investment professional at this service level may be charged at a rate that will not exceed \$500.00 per hour. Participants in both the Nondiscretionary Advisory and Investment Consultation Services may also be charged out-of-pocket expenses for administrative services associated with the engagement, such as the preparation of reports, printing, presentation media, paper, etc.



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

Under this special rule's provisions, we must:

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

Performance-Based Fees and Side-by-Side Management

JS does not charge any performance based fees.

Because JS does not manage any accounts that are charged performance-based fees, it does not have any side-by-side management issues or conflicts of interest.

Types of Clients

JS generally provides investment advice to individuals, pension and profit-sharing plans, and trusts, estates, or other charitable organizations.

Our clients include individuals, medical schools, colleges and universities, physician's practices, law firms, corporations, foundations, endowments, trusts and estates.

Accounts accepted for discretionary management generally must have at least \$250,000 in investment assets. For Participant Retirement Services, the minimum Participant discretionary account size is \$25,000. JS reserves the right to lower its account minimums under certain circumstances, at its discretion.



Methods of Analysis, Sources of Information, Investment Strategies and Risk of Loss

JS primarily gives investment advice on investing in mutual fund shares, and on unaffiliated money managers who may be selected to manage Clients' portfolios. When giving advice on an individual security, JS uses both technical and fundamental analytical techniques.

In making investment recommendations with respect to Participant Retirement Services, JS constructs model portfolios based on the funds offered through a plan, or funds available to a participant's IRA. JS builds long-term asset-level portfolios at a variety of risk or complexity levels for the Plan, then selects and determines the appropriate weights for the investment options that best track each of the asset-level portfolios. JS then continues to monitor the investment options selected, along with the asset-level portfolios, over time to make sure they remain appropriate, and to make portfolio adjustments and re-allocations if necessary. JS uses this information to make Participant portfolio or asset allocation recommendations, taking into account information supplied by Participants in their account profiles.

JS subscribes to and uses databanks of both stock specific and general financial and economic information, such as Ned Davis Research. Such information and research includes, but is not limited to, economic and financial commentaries, investment manager selection, and other research material. JS also subscribes to services offered by Fidelity Institutional Wealth Advisors. Fiduciary Analytics, Inc., Plan Tools Risk Management System, and Morningstar Office, which includes Lipper data rating mutual funds, stocks, variable annuities and closed-end funds.

JS begins its Participant Retirement Services by building asset class portfolios at different risk levels, ranging from conservative to aggressive. Generally speaking, JS designs up to 5 different risk levels for each plan. After the asset-level portfolios are created for a plan, JS will select investment options from a Plan's fund menu to construct fund-specific portfolios for that plan. Fund specific portfolios provide participants with a pre-determined solution to implement their asset allocation program. The objective of investment options is to identify the most appropriate choices available to implement the asset allocation policy. JS matches these fund-specific portfolios to the investment characteristics of specific plan participants in order to provide discretionary or non-discretionary advice on the investment portfolios.

Please be aware that investing in securities involves risk of loss that clients should be prepared to bear. Investment advice offered by JS relates primarily to investing in mutual funds and exchange traded funds. A portfolio constructed at an aggressive level will obviously involve greater risk than one constructed at a conservative level, and JS will not recommend an aggressive portfolio strategy unless the clients' financial profile indicates that the client can tolerate such risk.

When using the 55ip service, there is proprietary technology guided by structured, mathematical, and rules-based methods of analysis. This technology incorporates a tax management technique referred to as "tax loss harvesting" and is primarily used in the following ways:



1. "Tax-Smart Transitioning" utilizes tax loss harvesting to offset realized gains and losses in order to transition clients from legacy portfolio holdings to their target investment allocation strategy (including Proxy Replacement Securities, as defined below). This process seeks to make moving to different investment strategies more tax-efficient. 55ip's automated approach seeks to capture investment losses in a client's portfolio which are then used to offset near-term tax liabilities, help increase after-tax returns, and minimize the tax liability associated with moving to a different portfolio. Certain programs or Clients will have access to a feature that enables additional customization of the Tax-Smart Transitioning service by allowing certain securities in a Model to be substituted (the "Security Substitution Feature"). This feature seeks to lower the estimated tax liability of transitioning an account's existing securities while maintaining a similar tracking error to the target Model. The Security Substitution Feature will review an account's existing holdings that have unrealized capital gains to determine if they are similar to securities in the target Model, based on statistical and qualitative factors (e.g., asset class exposure and benchmark) or based on criteria provided by the Model Provider or Client. If there's a substitution match, the existing security will be kept in the account and used in lieu of the target Model position. Accounts utilizing the Security Substitution Feature should expect that their positions will deviate from the target Model holdings and will typically have increased tracking error and typically take longer for the existing holdings to invest in the target Model positions, up to an indefinite period of time depending upon the Client provided tax bill.

2. "Ongoing Tax Management" incorporates a recurring tax loss harvesting cycle which attempts to create harvesting opportunities on a recurring basis, typically every 31 days. 55ip's tax management algorithms prioritize rebalancing to the target Model allocation (including Proxy Replacement Securities, as defined below) with a secondary objective of performing tax loss harvesting. This means that not all tax loss harvesting opportunities will be realized in an account if making such trades will cause the account to deviate from the Model beyond established parameters.

3. "Tax-Smart Withdrawal" generates withdrawal scenarios in order to help Clients determine if they prefer to minimize taxes (but increase tracking error relative to the investment strategy) or minimize impact to the account's tracking error relative to the investment strategy (but increase the tax liability). Note, accounts that select the minimize taxes scenario will automatically move into Tax-Smart Transitioning with a \$0 tax budget. The 55ip tax loss harvesting feature offers the capability to harvest losses in securities in a portfolio by replacing them with other securities known as 'proxies' that have similar characteristics, such that changes to the intended exposures of the portfolio are minimized. 55ip's tax loss harvesting services operate on an account basis and consider only securities and transactions within a particular account when reviewing for tax loss harvesting as well as instances of wash sale transactions.

55ip's proxy selection algorithm evaluates possible replacements for a security and selects a suitable replacement ("Proxy Replacement Security") based on certain criteria, guided by structured, thematic, and rules-based methods of analysis. The proxy replacement is selected based on criteria provided by the Model Provider or Client, either as a basket of securities or a single security. The aim of the algorithm is to select proxies that have similar exposures as the original security so that the tracking error of the post-harvesting portfolio with the initial model portfolio is minimized.

J+S has the ability to select securities in a custodial account and establish them as "unmanaged securities."



Unmanaged securities are securities in an account that are excluded from J+S's and 55ip's management of the account. These securities are not reviewed, managed, or monitored in any way by J+S or 55ip and neither company includes unmanaged securities in its services to the account (including when monitoring for wash sales).

In certain circumstances, including market instability or in response to certain types of operational or technological errors, J+S and 55ip may determine not to rebalance or trade accounts at the established frequency. Under normal market conditions, it can take several business days to process the investment of funds in accounts (whether initial investments or subsequent additions) and requests to sell or withdraw funds from accounts, but these time frames can be longer due to market conditions and/or other factors.

General Portfolio Risks

Clients may be exposed to the following risks summarized below through investments in Funds included in Models and through direct investments, if any. The degree to which these risks apply to a particular

Algorithm Risk.

The Adviser uses proprietary quantitative tools and algorithms in providing implementation and tax management services to Clients. These tools may perform differently than expected as a result of errors, flaws, or being incomplete if such issues are not identified. This may have an adverse effect on investment performance and result in adverse tax consequences. If the methods on which the tools are based do not perform as expected, there is no guarantee that the use of quantitative tools and/or algorithms will result in effective implementation or tax management for clients.

Software (Optimizer) Changes. 55ip has in the past and may in the future modify or change the optimizer or other software from time to time which can result in differences in the outcome for accounts, which may not be beneficial to a client, including differences with the trade list, increased tracking error and increased tax impact. 55ip performs reviews to help ensure that trades are in line with established account parameters.

Account/Custodial Set-Up Risk. It is the Client's responsibility to set up an account's characteristics with the custodian per 55ip's requirements, including, but not limited to, tax lot disposal method, cost basis accounting method, and dividend and capital gain reinvestment information. If an account is not set up per 55ip's requirements, 55ip's tax management services, trading and rebalancing services, and other features will not perform as expected.

Tax Management Risk.

The Adviser provides tax management services to Clients which involve tax loss harvesting from positions which have experienced a capital loss. In certain market conditions, or when portfolio positions have not otherwise experienced capital losses during the relevant tax period, tax loss harvesting opportunities will be limited. The quantitative tools and algorithms used by the Adviser to perform tax management services may perform differently than expected as a result of errors, flaws, or being incomplete if such issues are not identified. This may have an adverse effect on investment performance and result in adverse tax



consequences. In some instances, the Adviser may inadvertently generate a capital gain on a given trade(s) for a number of reasons, such as when the price of a position moved from the time when the order was generated to when it was executed in the market. In addition, the Adviser may in limited instances engage in wash sale transactions in certain strategies as a result of trading activity for risk management purposes or where the Adviser doesn't have access to the client's historical trading activity, among other reasons. In these instances, the tax benefit of this trading activity will be limited and clients may have additional tax liability.

Tax-Smart Transitioning Risk.

Tax-Smart Transitioning leverages an estimated tax bill (also sometimes referred to as tax budget or tax liability) that is selected and provided by the Client. The estimated tax bill can be provided by Clients as a dollar amount or as a percentage of the account's total portfolio value; however, Clients should be aware that while 55ip trades accounts with this tax bill in mind and seeks an outcome close to the indicated tax bill, it is an estimated value, and 55ip will typically exceed or fall beneath the tax bill as part of 55ip's standard trading practices. As a result, capital gains realized from trading activity in accounts may be more or less than expected. Further, Clients should be aware that the smaller the tax bill selected by the Client, the more deviation the Client will typically have relative to the target Model, including increased tracking error from the target Model, until tax lots with unrealized losses can be sold to rebalance the account towards the target Model. 55ip will seek to realize the full estimated tax bill upon first trading the account. Afterwards, the tax bill will reset to \$0 unless updated by the Client. This means that 55ip will not move the account closer to the target Model when those trades are expected to result in additional capital gains. Depending on market factors and the Client's tax bill, Clients can remain in Tax-Smart Transitioning for an indefinite period of time.

Operational Risk (Cash Withdrawals, Cash Management, Trade Suspensions and Account Minimums):

- Cash raised for recurring withdrawals that are not withdrawn by the date selected by the Client (or the following business day if the date falls on a weekend/holiday) are subject to reinvestment. If a Client does not withdraw the cash by the selected date and it is reinvested, a subsequent withdrawal request will lead to additional trades and may result in additional capital gains. In addition, 55ip seeks to maintain a minimum cash level in an account to minimize potential overdraft concerns while trading. This minimum cash level may not align with the cash allocation within the target Model, which may lead to performance deviations from the Target Model.
- Clients have the ability to suspend trading in an account for a limited period of time. Clients should be aware that 55ip will not review the account or perform any trading during a trade suspension period and that regular fee schedules outlined within the Client's agreement will apply and will continue to be charged. 55ip reserves the right to terminate an account if the account remains in a suspended status beyond the parameters established by 55ip.
- 55ip has various minimum account size requirements. Accounts below the specified minimums can experience unintended rebalancing and/or tax management outcomes (including increased tracking error) due to implementation constraints.



Commodity Risk.

Certain strategies have exposure to commodities. Exposure to commodities and commodity-related securities may subject a portfolio to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity linked investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. In addition, to the extent that a portfolio gains exposure to an asset through synthetic replication by investing in commodity-linked investments rather than directly in the asset, it may not have a claim on the applicable underlying asset and will be subject to enhanced counterparty risk.

Hedging Transactions.

Certain Funds may enter into hedging transactions to seek to reduce risk, but such transactions may result in a poorer overall performance than the Fund had not engaged in any such hedging transactions. For a variety of reasons, the Fund may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Client to risk of loss.

Disciplinary Information

JS does not have any disciplinary events to disclose at this time.

Other Financial Industry Activities or Affiliations

JS is affiliated with Johnson Sterling Consulting, Inc. ("JSC"). JS and JSC are each owned by Samuel P. Johnson. The firms may refer business to each other and may share clients. JSC is a benefits consulting and licensed corporate insurance broker with respect to basic voluntary group life and disability insurance products. JSC may arrange for the purchase of such insurance for clients, some of whom may also be JS clients, or may refer them to third party independent insurance experts. As compensation, JSC generally receives insurance premiums, or a portion of the premiums paid by JSC clients to third party experts.

Officers or employees of JS who are also licensed insurance personnel of JSC may be entitled to receive a portion of the insurance-related revenue received by JSC, including revenue which originated from a JSC client who is also a JS client. Sam Johnson is also entitled to receive dividends, if any, on his equity in the firm. JSC provides benefits consulting in addition to various insurance products as described above. JS also provides some benefits consulting.

JS and JSC may, from time to time, share clients or recommend that clients of one seek additional advice or services from the other. For example, insurance clients of JSC may also be advisory clients of JS. Dual employees of JS and JSC may be entitled to receive client-related revenue from either firm. In particular insurance licensed JS personnel may receive insurance-related commissions on insurance products sold by JSC to a client. However, clients are not required to purchase any insurance from JSC and both JS and JSC will recommend third party insurance experts to clients when appropriate. Unaffiliated brokers or consultants may split insurance-related revenue with JSC, but are not required to and will not



necessarily do so.

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

JS has adopted a Code of Ethics pursuant to SEC rule 204A-1. The purpose of this Code is to ensure that the interests of JS personnel do not conflict with the interest of JS clients. A copy of the JS Code of Ethics is available to any client or prospective client upon request.

Under the Code, JS personnel may purchase for their own investment accounts the same mutual funds or securities recommended to JS clients. Shares of unaffiliated mutual funds are not considered “reportable securities” under Rule 204A-1, and purchases by JS personnel do not have any effect on the price or availability of such securities. With respect to other securities recommended by JS, purchases by JS personnel are generally insignificant compared to their market capitalization, and also should not have any impact on price or availability. However, JS will not simultaneously engage in purchasing or selling securities of investment products for its own account or its principals if such securities are being traded for clients. The principals and all registered adviser representatives are required to disclose any securities transactions in their personal accounts on a regular basis to JS.

All supervised persons are required to report their personal securities transactions in non-exempt reportable securities for monitoring purposes. Supervised persons are also required to notify the compliance department in order to pre-clear personal securities transactions in initial public offerings and limited availability securities. All supervised persons must provide quarterly reports of their personal transactions to the compliance department and are required to submit copies of brokerage statements annually.

Brokerage Practices

When acting as a discretionary adviser with respect to Discretionary Portfolio Services, JS exercises discretion to make determinations as to the issuer, broker or dealer through whom securities transactions are to be bought or sold, and the commission rates at for such transactions, to the extent that commissions are applicable.

Unaffiliated investment managers selected by JS to manage client accounts may purchase from other broker-dealers securities on which brokerage commissions or sales loads are charged. When this occurs, JS relies upon the fiduciary responsibility of each unaffiliated investment manager to review such charges regularly and continuously to evaluate the reasonableness of such commissions. JS performs due diligence reviews of the unaffiliated advisers it recommends to clients. These reviews include information concerning the adviser’s best execution policies.

In arranging for the purchase and sale of client’s portfolio securities on a discretionary basis, JS takes into consideration any legal restrictions, such as those imposed under the securities laws, and client objectives. Within these constraints, JS may deal with fund issuers, banks, members of securities exchanges, and other brokers and dealers which, in its judgment, implement the policy of seeking best execution of portfolio



transactions.

JS' overriding objective when selecting brokers and dealers and effecting client portfolio transactions is to obtain the best combination of price and execution. The best net price, including brokerage commissions or spreads, if any, and other transaction costs, is normally an important factor in this decision, but a number of other judgmental factors may be considered when relevant. Mutual fund shares purchased by JS for its clients are generally priced at Net Asset Value on a no-load basis, which eliminates the search for lowest commission rates. Since commissions are rarely, if ever, a factor in the purchase of mutual fund shares, JS does not generally look to the usual factors relating to best execution and does not generally take brokerage research into consideration when making investment decisions for its discretionary client accounts.

JS endeavors to be aware of current charges of eligible broker-dealers, and to minimize the expenses incurred for portfolio transactions without compromising the interests and policies of its clients' accounts. However, JS will not select broker-dealers solely on the basis of "posted" commission rates, nor will it always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although JS generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved, resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services, which all help JS in providing investment management services to clients. JS reserves the right to, and may, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Again, JS relies on the fiduciary responsibility of unaffiliated managers it has selected for clients to monitor commission rates paid on transactions in such accounts.

JS is not required to aggregate client purchase and sale transactions but may do so from time to time. To the extent that a batch order is placed for shares of mutual funds, such transactions are completely filled for all participating accounts on the date of the transaction. In addition, since the mutual funds purchased for client accounts are generally no-load funds, JS is not required to pro rate commissions across accounts participating in batch transactions.

Clients are not permitted to direct JS to use specific brokers in performing portfolio transactions. Client direction may result in higher commissions, greater spreads, or less favorable net prices than might be the case if JS negotiates commission rates or spreads freely, or selects issuers, brokers or dealers based on best execution.

At this time JS does not receive research or other products or services, other than execution and trading platform, from a broker-dealer in connection with client securities transactions ("soft dollar benefits").



Review of Accounts

One or more of the JS principals reviews each discretionary account at least annually. In the course of these reviews, each transaction in a client account will be checked for accuracy and compliance with applicable guidelines and/or criteria. More frequent reviews may be undertaken as deemed necessary. Nondiscretionary and consultation-only accounts are reviewed at specific times as set forth in the client contract. JS will contact the client after each specific review to provide advice relating to such review, but it is the client's responsibility to decide whether to implement any JS recommendation.

Clients with discretionary and nondiscretionary account contracts are furnished with reports at least quarterly (and usually monthly) including, but not limited to, account value at the beginning of the reporting period, all transactions in the account during the period, and the value of the account at the end of the period. Client statements may be mailed or are available on-line, based upon the client's request.

Client Referrals and Other Compensation

JS may, but does not at this time, agree to compensate solicitors for investment advisory client referrals. Any such arrangements would conform to the terms and conditions of the Advisers act Rule 206(4)-3 and would not increase the referred client's advisory fees. At this time, JS has no such solicitation agreements.

Custody

As a matter of policy and practice, Johnson Sterling, Inc. does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them, with the sole exception of direct debiting of advisory fees and the accounts which have third-party SLOAs on file. JS client accounts are maintained with a qualified custodian who sends statements directly to the clients. JS strongly urges clients to review those statements, and to compare the account statements that they receive from the qualified custodian with the statements they receive from JS.

Investment Discretion

As a discretionary adviser to clients in the discretionary portfolio services, JS exercises discretion to make the following determinations without prior client consent:

- Which eligible mutual fund, ETF or private fund securities are to be bought or sold
- The total amount of such securities to be bought or sold
- The issuer, broker or dealer through whom securities are to be bought or sold
- The commission rates at which such transactions are affected, to the extent that commissions are applicable.

However, in each such account, JS' authority is subject to various limitations, including client investment



objectives, firm policies and restrictions and, with respect to plan participants, plan-eligible investments. These limitations may be based on a variety of factors, including regulatory constraints and policies imposed by a plan or its trustees.

Selection of investments for client accounts is subject to extensive quantitative and qualitative research, and is implemented through publicly offered mutual funds, ETF's, or the selection of unaffiliated managers. Mutual fund shares purchased by JS for client accounts are generally no load shares purchased through fund supermarkets, including Fidelity Institutional Wealth Services and TIAA.

When unaffiliated investment managers selected by JS to manage client accounts purchase from other broker-dealers securities on which brokerage commissions or sales loads are charged, JS relies upon the fiduciary responsibility of each unaffiliated investment manager to review such charges regularly and continuously and evaluate the reasonableness of such commissions. JS performs due diligence reviews of the unaffiliated advisers that it recommends to clients. This review includes, among other things, information concerning the adviser's best execution policies.

Voting Client Securities

JS will vote proxies for clients if the client so elects. JS will vote these proxies in accordance with its Proxy Voting Procedures. JS provides each client a copy of these procedures, either directly or by delivering to each client a copy of this ADV brochure summary. Clients may obtain a copy of the full text of JS' Proxy Voting Policies and a record of how JS has voted the client's proxies by calling the number that appears on the face of this ADV brochure. A copy of these materials will be provided to clients upon request at no charge.

Policy: Where clients have delegated proxy voting responsibility to JS, as a matter of policy and as a fiduciary to our clients, JS votes all proxies for portfolio securities in accordance with the best economic interests of clients.

When JS will not vote proxies: JS may not vote client proxies in certain circumstances, including situations where (a) the securities are no longer held in the client's account; (b) the proxy and other relevant materials are not received in sufficient time to allow adequate analysis or an informed vote by the voting deadline; or (c) JS concludes that the cost of voting the proxy is likely to exceed the expected benefit to the client.

Maintenance of Proxy Voting Record: As required by Adviser's Act Rule 204-2, JS will maintain the following records relating to proxy voting for a period of at least six years:

- (i) A copy of these policies and procedures and any amendments;
- (ii) Copies of proxy statements received regarding client securities, unless these materials are available electronically through the SEC's EDGAR system;
- (iii) A record of each proxy vote cast on behalf of its clients;
- (iv) A copy of any internal documents created by JS that were material to making the decision



- how to vote proxies on behalf of its clients; and
- (v) Each written client request for information on how JS voted proxies on behalf of the client and all written responses by JS to verbal or written client requests for such proxy voting information.

Financial Information

N/A

