

# LAFFER | TENGLER

INVESTMENTS

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## **Form ADV Part 2A – Appendix 1** “Wrap Fee Brochure”

March 14, 2024

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

Phone: 1-800-838-3468

This Wrap Fee Brochure (Part 2A Appendix 1 of Form ADV) describes our wrap fee program and provides you with information about the qualifications, business practices and advisory services of Laffer Tengler Investments, Inc. If you have any questions about the contents of this Wrap Fee Brochure, contact Sheila Asher, Chief Operating Officer by telephone at 1-800-838-3468 or email at [sasher@laffertengler.com](mailto:sasher@laffertengler.com).

The information contained herein has not been approved or verified by any governmental authority. Our firm is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training, only that we have filed registration documents in the appropriate jurisdictions and with the respective governmental entities.

Additional information about Laffer Tengler Investments is also available on the SEC’s Investment Adviser Public Disclosure (“IAPD”) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by using our identification number referred to as a CRD Number. Laffer Tengler Investments, Inc. CRD Number is **108068**.

**ITEM 2: MATERIAL CHANGES**

Investment Advisers are required to prepare this disclosure document (“Wrap Fee Brochure”) that describes the firm and its business practices. Pursuant to SEC rules, we are required to update our Wrap Fee Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment.

We have prepared this updated Wrap Fee Brochure, dated March 14, 2024. We made the following material changes to this Wrap Fee Brochure since our last annual update dated March 24, 2023.

- We raised our minimum investment to \$3,000,000 for new clients in our Wealth Management Program.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Brochures within 120 days of the close of our fiscal year. You may request our complete Wrap Fee Brochure at any time by contacting Sheila Asher, Chief Operating Officer, at 800-838-3468 or by email at [sasher@laffertengler.com](mailto:sasher@laffertengler.com).

You can find this document as well as other information about Laffer Tengler Investments and at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about persons affiliated with Laffer Tengler Investments who are registered as investment adviser representatives.

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#### **ITEM 4: SERVICES, FEES, AND COMPENSATION**

Laffer Tengler Investments, Inc. (hereinafter, "LTI," the "Firm," "Our," or "We") was incorporated in 1999 and started managing discretionary accounts in August of 2000. Dr. Arthur B. Laffer and Arthur B. Laffer, Jr. founded the Firm. Nancy Tengler is the Chief Executive Officer and Chief Investment Officer. Arthur B. Laffer, Jr. is the President and the Senior Portfolio Manager.

The Firm is organized as a common stock corporation and is currently domiciled in the state of Tennessee. 100% of the stock is owned by Butcher Joseph Financial Holdings, LLC. Specific ownership interest information is located on Schedule A and Schedule B of Part 1 of the firm's Form ADV.

As of December 31<sup>st</sup>, 2023, Laffer Tengler Investments managed \$462,553,183 in discretionary assets and provided advice on model portfolio assets in the amount of \$724,713,891.

The Laffer Tengler Wealth Management Wrap Program ("Wrap Fee Program") is one of the programs Laffer Tengler Investments, Inc. offers. For its wealth management clients, LTI offers an investment program in which the client pays a single fee for asset management and transaction costs in their accounts ("Wrap Fee"). Wrap Fees include transaction fees for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than our recommended qualified custodian.

Because of the nature of a Wrap Fee Program, a client may pay more, or less than if the client had compensated another adviser outside of the Wrap Fee Program. For example, if a client's account is rarely traded, the transaction fees that the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees.

LTI receives the Wrap Fee for our services. When transaction fees are charged by our recommended custodian or broker/dealer, we will pay those fees on behalf of our client. The remainder of the Wrap Fee is the net management fee payable to LTI. The amount payable to us varies depending upon the trading activity in a client's account. The more transactions in the account, the greater the amount of transaction fees, and therefore the less compensation to us. Accordingly, we have a financial incentive to avoid trading the account. This can create a conflict of interest between the Firm and its Wrap Fee Program clients. We mitigate this conflict by requiring that the Firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and through a review of client accounts.

#### **Services**

Clients participating in the Wrap Program shall receive the following services to the extent applicable to their financial needs:

- Access to an investment adviser representative for financial advice and account service;
- Development of a broadly diversified portfolio with asset classes and investment selections designed to meet the liquidity and risk characteristics of your financial goals;

- Recommendations of specific investment strategies used to implement your portfolio;
- Assistance setting financial goals and monitoring progress toward goals;
- Quarterly performance reports provided by LTI. This reporting is in addition to the regular statements you receive from the custodian who holds your assets.

An investment adviser representative will assess your current financial circumstances, taking into account your tolerance for risk and your investment objectives. An asset allocation structure will be developed specifically for you to help you toward your long-term financial goals.

LTI will help you implement the recommended asset allocation structure using various investment strategies managed by LTI's portfolio managers that will give you exposure to a diverse mix of equities, fixed income and cash. See ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION for more information on the investment strategies we offer.

Limited circumstance may warrant allocating a portion of your portfolio to a third-party manager when LTI does not offer a specific strategy needed to implement the recommended allocation. In this case, LTI will provide you with the necessary information about the manager, including any additional fees you might incur.

#### Fees

The following discussion represents the basic compensation arrangements of Laffer Tengler Investments. However, fees and other compensation are negotiable in certain circumstances and arrangements with any particular client may vary. Each client's specific fee schedule will be stated in their Investment Management Agreement.

Unless specifically stated to the contrary, fees will be calculated based upon the aggregate market value of all assets under management within the client's account(s), including allocations to cash (unless a specific cash account is designated as unmanaged). Fees that are calculated as a percentage of assets under management are generally charged quarterly in arrears.

Laffer Tengler Investments standard fee schedule for this Wrap Fee Program is below.

<b>Client's Aggregate Portfolio Management Assets</b>	<b>Annual Fee Rate*</b> (Applies to all household assets once total Client assets reaches the specified range below)
Up to \$3,000,000	1.15%
\$3,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	0.90%
\$10,000,001 - \$20,000,000	0.75%
Over \$20,000,000	Negotiable

Laffer Tengler Investments reserves the right, in its sole discretion, to negotiate and to charge different fees for certain accounts based on a client's particular needs or requirements as well as overall financial condition, goals, risk tolerance and other factors unique to the client's particular circumstances.

Clients can elect to have fees owed to Laffer Tengler Investments deducted directly from their account. In instances where a client has authorized direct billing, the client's "qualified custodian" sends periodic statements, no less frequently than quarterly, showing all transactions and holdings during the period. Clients are urged to review their account statements for accuracy and compare the information to any reports received directly from Laffer Tengler Investments. Clients may also request that billings be made directly to the client or a designated third party if authorized in writing by the client.

A wrap fee arrangement typically covers portfolio management, advisory services, custodian fees, brokerage commissions and other costs associated with purchase and sale when transactions are executed through the account custodian. Mark-ups, mark-downs and dealer spreads are costs borne by the client as they are reflected in the price of the transaction. The advisory fee does not include other fees such as trade-away fees, account transfer fees, account maintenance fees, wire fees, interest, or taxes. All fees paid to Laffer Tengler Investments are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds. The client will be solely responsible, directly or indirectly, for these additional expenses.

Depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided if they were to be obtained separately and, with respect to brokerage, transaction-based commissions.

Investment advisory agreements between Laffer Tengler Investments and its clients are generally terminable at any time by the client or the Firm upon 5-day advance notice by either party to the other. Clients should review their Investment Management Agreement for the terms and conditions specific to their account. Termination typically requires that written notice be given by the terminating party. In the event of termination during a quarterly period, the client will pay only that portion of the fee earned by Laffer Tengler Investments up to the actual date services are terminated. To the extent that fees are paid to the Firm in advance and a client terminates its agreement during the quarterly period, Laffer Tengler Investments will refund to the client a pro rata portion of the fee paid.

#### Compensation

Laffer Tengler Investment advisory personnel are not compensated based on your participation in this Wrap Fee Program; therefore, there is no incentive to recommend this program over other advisory services we may offer.

**ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Laffer Tengler Investments offers this Wrap Fee Program to:

- Individuals & Personal Trusts
- Foundations & Endowments
- Retirement Plans
- Corporation or Other Businesses
- Institutional Accounts

Laffer Tengler Investments requires a minimum account size of \$3,000,000 to establish a discretionary account with the Firm. We reserve the right to raise or lower the minimum account size at any time at our discretion.

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

LTI serves as both the Sponsor and Portfolio Manager of this Wrap Fee Program. LTI offers various strategies that allow LTI to build a diversified portfolio across multiple asset classes that meet the needs of its clients.

### **Types of Advisory Services**

Laffer Tengler Investments provides investment advice and management services (1) as a discretionary investment adviser to domestic and foreign separately managed accounts; (2) as a discretionary manager to clients participating in one or more wrap fee programs; (3) as a non-discretionary model provider to certain clients, including other investment advisers and broker dealers; and (4) as a sub-adviser to certain open-end exchange traded funds (collectively, “clients” or “accounts”).

In addition to traditional research services, Laffer Tengler Investments utilizes quantitative modeling and economic forecasting in developing advice to be provided to clients. Laffer Tengler Investments utilizes government sources for economic data as well as data provided by third party research providers. In addition, Laffer Tengler Investments utilizes specialized software programs developed by third parties.

### **Client Directed Restrictions**

Investment portfolios are managed in accordance with the client’s stated investment objectives, strategies, restrictions, and guidelines, as communicated to Laffer Tengler Investments by the client. We will typically allow for a limited amount of restrictions to be imposed upon the portfolio. In all cases where a client is requesting account restrictions, LTI first and foremost considers the impact the restrictions could have on the management of the account and our ability to adequately implement our investment process. Requests for investment restrictions by clients are evaluated on a case-by-case basis by the Portfolio Manager for acceptance or rejection.

### **Performance-Based Fees**

Laffer Tengler Investments does not have any performance-based fee arrangements in place.

### **Methods of Analysis and Risk of Loss**

Laffer Tengler Investments uses different investment strategies and methods of analysis. While Laffer Tengler Investments seeks to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate all risks. Almost any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all their investment and should be prepared to bear the risk of such potential loss.



### *General Risk and Loss of Account Value*

The investment decisions made for accounts by Laffer Tengler Investments are subject to various market, currency, economic, political, and business risks, and investment decisions will not always be profitable. The investments for accounts may include positions in convertible securities, ETFs, common stocks, bonds, preferred stocks, and other securities which may be volatile and may subject accounts to losses on both a short-term and extended basis. Clients may be more susceptible to such risks where the account is invested, in accordance with the agreed-upon style, in the securities of a limited number of issuers. There can be harmful effects on the performance that result from short-term volatility which may have a particularly acute effect on smaller accounts. The value of investments may go up as well as down and are not guaranteed. It is possible that an account could lose its entire investment value.

### *General Risks of Investing in Stocks*

Stocks are an investment representing equity ownership in a company. As an owner, you incur the risk of the company's success, meaning you don't reap rewards unless the company is doing well, and you risk loss of capital if the company fails. This risk is inherent in stocks.

### *Loss of Investment Risk*

When you buy an individual stock, you accept the potential risk of losing all your money. This can happen if the company fails, usually resulting in bankruptcy. In bankruptcy, the owners, or stockholders, are paid out last after other creditors are paid. Creditors include bondholders.

### *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.

### *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.

### *Reinvestment Risk*

This is the risk that 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.

### *Business Risk*

These 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.

### *Liquidity Risk*

When consistent with a client's investment objectives, guidelines, restrictions, and risk tolerances, we may invest portions of Client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.

### *International Investing Specific Risks*

Foreign stocks markets are especially volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments and the returns from foreign stocks may be lower than those from domestic securities. In addition, to the extent that a client's account is invested in small- cap and mid-cap foreign securities, historically small-cap and mid-cap stocks have been more volatile in price than the price of the large-cap stocks that dominate foreign and domestic stock markets and often perform quite differently than large-cap stocks and the overall domestic stock market. In addition, international investing is subject to country and regional risk, which is the risk that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in specific foreign countries or regions. Because some international strategies may invest a large portion of account assets in securities of companies located in any one country or region, including emerging markets, an account's performance may be adversely affected by the poor performance of its investments in that country or region. Country and regional risk is especially high in emerging markets. Finally, international investments could be harmed by currency risk, which is the risk that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

### *Interest Rate Risk*

Interest rate risk is the risk that debt securities will decline in value because of changes in market interest rates. Generally, when market interest rates rise, the value of debt securities declines, and vice versa. An account's investment in such securities means that the value of the account will tend to decline as market interest rates rise. The prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations as interest rates change.

### *Credit Risk*

Credit risk refers to an issuer's ability to make payments of principal and interest when they are due. Bond prices typically decline if the issuer's credit quality deteriorates. Lower grade securities may experience higher default rates, which could mean that an account may lose some or all of its investments in such securities. If this occurs, the account value would decline.

### *Investment Grade Bond Risk*

Investment grade bonds are considered less risky than bonds whose ratings are below investment grade; however, ratings are no guarantee of quality. The credit quality of these bonds can decline which would normally cause the prices of these bonds to decline.

### *Below Investment Grade Bond Risk*

These bonds, commonly known as "junk bonds", "high yield bonds" or "speculative grade bonds", involve a higher degree of credit risk. In the event of an unanticipated default, an account would experience a reduction in its income, a decline in the market value of the securities so affected and a decline in the account's value. During an economic downturn or period of rising interest rates, highly leveraged and other below investment grade issuers may experience financial stress that could adversely affect their ability to service principal and interest payment obligations, to meet projected business goals and to obtain additional financing. The market prices of below investment grade bonds are generally less sensitive to interest rate changes than higher-rated investments but are more sensitive to adverse economic or political changes or individual developments specific to the issuer. Periods of economic or political uncertainty and change can be expected to result in volatility of prices of these securities. Nationally recognized statistical rating organizations consider these bonds to be speculative in nature.

### *Exchange Traded Funds Risks*

An ETF is an investment vehicle that combines key features of traditional mutual funds and individual stocks. Like index mutual funds, ETFs typically represent underlying diversified portfolios of securities that typically track specific market indexes. Like stocks, they can be bought and sold (long or short) on an exchange throughout the trading day. An investment in an ETF includes the risk that an account's return may not match the return of the underlying market index. In addition, the component securities of a particular index may be subject to additional risks, including the risks identified above, such as market risk, credit risk, etc. Leveraged ETF, which are designed to double or triple the returns of a particular underlying index, magnify the gains and losses of an investment in the returns of the underlying market index and are, therefore, riskier than an investment in an unleveraged ETF.

### *Investment Strategies*

**U.S. Equity Growth, U.S. Equity Income, & U.S. Concentrated Equity Strategies** employ proprietary models/filters created by the Firm as well as fundamental security analysis to create portfolios of common stocks. Our security analysis focuses on fundamental qualitative and quantitative factors. Qualitative Factors include: Catalyst for Outperformance, Franchise Value & Market Growth, Top Management/Board of Directors. Quantitative Factors include: Sales Growth, Operating Margins, Relative P/E, Positive Free Cash Flow, Dividend Coverage/Growth, Asset Turnover Ratio, Use of Cash (buyback, debt, div.), Leverage, Financial Risk.

**Dividend Growth Strategy** utilizes a bottom-up oriented process in building portfolios. This strategy employs models/filters and fundamental analysis in the creation and management of portfolios. Securities are analyzed using third party tools, company research, conference calls, news stories, credit rating agencies, security valuations (earnings, book to value, etc.) etc. Portfolios are primarily constructed using common stocks.

**Dynamic Inflation & Clean Energy Infrastructure** utilize quantitative modeling and fundamental analysis in building portfolios. These strategies employ macroeconomic models, financial models, and fundamental research to evaluate investments for client portfolios. ETFs that have underlying investments in international securities, us securities (stocks and bonds) as well as commodity and real estate are primarily used to implement these strategies.

**Convertible Strategy** utilizes a bottom-up, value-oriented process in building portfolios. This strategy employs models and fundamental analysis in the creation and management of portfolios. Securities are analyzed using third party tools, company research, conference calls, news stories, credit rating agencies, security valuations (earnings, book to value, etc.) Portfolios are primarily constructed using convertible fixed income securities (bonds) and convertible preferred securities (preferred stocks).

**Fixed Income ETF Strategy** utilizes a top-down macroeconomic oriented process in building portfolios. This strategy employs economic models and fundamental market analysis in the creation and management of portfolios. ETFs that invest in fixed income securities are primarily used to implement these strategies.

**Global Equity Strategy** utilizes quantitative modeling and fundamental analysis in building portfolios. This strategy employs macroeconomic models, financial models, and fundamental research to evaluate international investments for client portfolios. ETFs that have underlying investments in international securities are primarily used to implement these strategies.

#### Voting Client Securities

As required by Rule 206(4)-6 under the Adviser Act, Laffer Tengler Investments has adopted written proxy voting policies and procedures (“**Proxy Voting Policies and Procedures**”) designed and implemented in a way to ensure that Laffer Tengler Investments will vote proxies related to client securities in the best interest of the client, unless the client contract specifies that Laffer Tengler Investments will not vote. While these Proxy Voting Policies and Procedures contain guidelines for certain issues on which votes may be cast, each proxy is voted on a case-by-case basis, taking into consideration any contractual obligations Laffer Tengler Investments may have to its clients and all relevant facts and circumstances at the time of the vote and considering specific issues, as they arise, on their merits. Laffer Tengler Investments may (i) vote in accordance with the recommendation of the portfolio company’s management, (ii) vote against management, (iii) engage in dialogue with management with respect to pending proxy issues to seek to change the views of management or (iv) join with other investment managers in seeking to put a shareholder proposal to a company or oppose a proposal submitted by the company.

Laffer Tengler Investments recognizes its responsibilities for identifying material conflicts of interest in the proxy voting context. Employees of Laffer Tengler Investments must disclose any personal conflicts such as officer or director positions held by them, their spouses, or close relatives in the relevant issuer. Conflicts based on business relationships with Laffer Tengler Investments, or any affiliates of Laffer Tengler Investments will only be considered to the extent that Laffer Tengler Investments has actual knowledge of such relationships. To the extent that a conflict has been identified, the CCO will be consulted on how to either eliminate or resolve the conflict. Among the means by which Laffer Tengler Investments utilizes to resolve conflicts of interest are: (1) voting in accordance with the Proxy Voting Policies and Procedures, if it involves little or no discretion; (2) voting in accordance with a third-party independent service provider, to the extent that Laffer Tengler Investments uses such a service; (3) if possible, erecting information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (4) if practical, notify affected clients of the conflict and seeking a waiver of the conflict; or (5) if agreed upon in writing with the client, forward the proxies to the affected client and allowing the client to vote its own proxies.

Laffer Tengler Investments will not disclose proxy votes for a client to other clients or third parties, unless specifically requested, in writing by the client. However, to the extent that Laffer Tengler Investments may serve as a sub-adviser to another adviser to a client, Laffer will be deemed to be authorized to provide proxy voting records on such client accounts to that adviser.

Clients are able to obtain information about how Laffer Tengler Investments voted proxies for their account or a copy of the Proxy Voting Policies and Procedures by contacting Laffer Tengler Investments. Our contact information appears on the cover of this Wrap Fee Brochure.

**ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Because LTI acts as both the Sponsor and the Portfolio Manager of this Wrap Fee Program, client information is always available to the portfolio managers. LTI monitors accounts on an ongoing basis and reviews client account activity at least annually or as agreed upon with individual clients. Our reviews consist of determining whether your portfolios and strategies continue to align with your investment goals, objectives, and risk tolerances. If reallocation of investments is necessary, we will either buy and/or sell other investments that would result in a portfolio that is more appropriate for your investment goals and objectives.

**ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

LTI does not place any restrictions on the clients' ability to contact and consult with Portfolio Managers of the Wrap Fee Program. Clients can contact their relationship manager to arrange for a consultation.

## **ITEM 9: ADDITIONAL INFORMATION**

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Laffer Tengler Investments or its management. Laffer Tengler Investments has no disciplinary actions to disclose.

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

ButcherJoseph Financial Holdings, LLC ("BJFH") is a holding company that is the sole owner of Laffer Tengler Investments. BJFH is majority owned by ButcherJoseph & Co., LLC ("BJ & Co."), which, in turn is majority owned by Keith Butcher and Joseph Strycharz.

BJ & Co. is an investment adviser that is exempt from registration under applicable federal and state law. BJ & Co has various other financial industry affiliates including a broker-dealers, private funds, and/or private equity investments. Laffer Tengler Investments does not have any client-related business dealings with BJ & Co. or its affiliates. Laffer Tengler Investments does not provide any services to nor use any services offered by BJ & Co. or any affiliate. They do not recommend clients purchase, or otherwise invest in, any BJ & Co related private investment or execute any transactions with BJ & Co's related broker-dealer. From time to time, BJ & Co may introduce their client/investors to Laffer Tengler Investments for investment advisory services. Laffer Tengler Investments does not pay BJ & Co. or any person associated with BJ & Co. directly or indirectly in exchange for such referral.

The 1979 Beverly Act established Geologic Hazard and Abatement Districts ("GHADs"). GHADs are independent state-level public agencies in California that oversee geologic hazards in defined geographic areas. In 2020, the Board of Directors of four GHADs (Blackhawk, Canyon Lakes, Hillcrest Heights, and California Tradewinds) appointed Nancy Tengler to serve as Treasurer. As Treasurer, Ms. Tengler is responsible for reviewing and selecting investment managers and independent custodians with board oversight and approval of the GHAD Manager. Ms. Tengler's responsibilities also include facilitating the payment of expenses directed by the GHAD Manager. Ms. Tengler's responsibilities present a material conflict of interest because Ms. Tengler has an incentive to recommend investment managers and independent custodians that benefit the Firm. However, Ms. Tengler's discretionary authority to issue any payments and select custodians and managers is constrained by board oversight and manager approval to mitigate any conflict of interest as the GHADs Treasurer. The GHADs retain sole discretion to direct and authorize all transactions and appointments and are free to reject all recommendations from Ms. Tengler. Ms. Tengler, as a fiduciary, must act in the best interest of her clients.

### **Code of Ethics**

Laffer Tengler Investments employees may buy and sell for their own account the same securities purchased and sold for clients. As these situations involve potential conflicts of interest, Laffer Tengler Investments has implemented procedures relating to personal securities transactions and insider trading that are designed to identify and prevent or mitigate actual conflicts of interest. These policies and procedures, including the Code, are intended to avoid conflicts of



interest with clients and to resolve such conflicts appropriately, if they do occur. The Code was adopted by Laffer Tengler Investments in accordance with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act to (i) govern personal transactions by access persons and (ii) ensure that the interests of access persons do not conflict with the interests of Laffer Tengler Investments' clients.

Registered investment advisers are required by Rule 204A-1 under the Advisers Act to adopt a code of ethics ("Code") which, among other things, sets forth the standards of business conduct required of their supervised persons and requires those supervised persons to comply with the federal securities laws. In conformity with these rules, Laffer Tengler Investments has adopted the Code.

Laffer Tengler Investments seeks to foster a reputation for integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in us by our clients is something we value and endeavor to protect. To further that goal, we have adopted the Code and implemented policies and procedures to prevent fraudulent, deceptive, and manipulative practices and to ensure compliance with the federal securities laws and the fiduciary duties owed to our clients.

We are fiduciaries and as such, we have affirmative duties of care, honesty, loyalty, and good faith to act in the best interests of our clients. Our clients' interests are paramount and come before our personal interests. Our access persons and supervised persons, as those terms are defined in the Code, are also expected to behave as fiduciaries with respect to our clients. This means that each must render disinterested advice, protect client assets (including non-public information about a client or a client's account) and act always in the best interest of our clients. We must also strive to identify and avoid conflicts of interest; however, such conflicts may arise.

Access persons and supervised persons of Laffer Tengler Investments **must not**:

- employ any device, scheme or artifice to defraud a client;
- make to a client any untrue statement of a material fact or omit to state to a client a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon a client;
- engage in any manipulative practice with respect to a client;
- use their positions, or any investment opportunities presented by virtue of their positions, to personal advantage or to the detriment of a client; or
- conduct personal trading activities in contravention of the Code or applicable legal principles or in such a manner inconsistent with the duties owed to clients as a fiduciary.

To assure compliance with these restrictions and all relevant federal securities laws, we have adopted, and agreed to be governed by, the provisions of the Code in addition to other applicable compliance policies and procedures. Access persons and supervised persons are expected to

comply not merely with the “letter of the law”, but with the spirit of the laws, the Code and applicable compliance manuals.

### **Participation or Interest in Client Transactions**

In rare cases, a client account may hold shares in TGLR in which Laffer Tengler Investments has a financial interest. This creates a conflict because the client would be assessed the internal expenses inside the Fund and also charged an advisory fee directly by Laffer Tengler Investments in accordance with the client’s Investment Management Agreement. In order to mitigate this conflict, Laffer Tengler Investments will exclude from their advisory fee calculation the value of investment in TGLR in a client’s managed portfolio.

### **Personal Trading Procedures**

A basic tenant of the Code is that the interests of clients are always placed first. The Code includes standards of business conduct requiring covered persons to comply with the Federal Securities Laws and the fiduciary duties an investment adviser owes to its clients. All access persons are required to notify the Firm’s Chief Compliance Officer (“**CCO**”) or the CCO’s designee in order to pre-clear personal securities transactions in certain covered securities, including initial public offerings (“**IPOs**”) and limited offerings. The CCO may grant exceptions to the pre-approval requirement where the employee has turned over trading authority to a discretionary manager.

Employees who invest in the same strategy as clients and whose accounts are managed by the Firm may trade along side client accounts and participate in the same block transactions as other clients invested in the strategy. Employees will receive the same execution as clients ensuring no employee trades are favored over client trades.

Under the Code, all access persons must provide the CCO with an initial holdings report that includes:

- (1) the title and type of security, and (as applicable) exchange ticker symbol or CUSIP number, number of shares and principal amount of each reportable security in which the access person has any direct or indirect beneficial ownership;
- (2) the name of any broker, dealer or bank with which the access person maintains an account in which any securities are held for the access person’s direct or indirect benefit;
- (3) the date the report is submitted. Initial holdings reports are required to be submitted no less than 10 days after an individual becomes an access person and must be current as of a date no more than 45 days prior to the date the individual became an access person.

Annual holdings reports must be submitted by all access persons once every 12 months on a date selected by the Firm and be current as of a date no more than 45 days prior to submission.

In addition, within 30 days of the end of each calendar quarter, transaction reports, covering all transactions of access persons in reportable securities during the prior quarter must be submitted to the CCO. Quarterly transaction reports must contain the following information about each transaction in any reportable security in which the access person had, or by reason of the transaction acquired, any direct or indirect beneficial ownership:

- (1) the date of the transaction, the title and (as applicable) the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security involved;
- (2) the nature of the transaction;
- (3) the price of the security at which the transaction was effected;
- (4) the name of the broker, dealer or bank with or through which the transaction was effected; and
- (5) the date of the report.

Reports are not required: (1) with respect to securities held in accounts over which the access person had no direct influence or control; (2) with respect to transactions effected pursuant to an automatic investment plan; or (3) which would duplicate information contained in broker trade confirmations or account statements provided the adviser receives such confirmations or statements within 30 days after the end of the applicable calendar quarter and holds them in its books and records.

The Code also subjects access persons to ethical restrictions relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients or other specified parties, in violation of the Laffer Tengler Investments' gift policies.

A copy of the Code of Ethics is available to any client or prospective client upon request.

#### *Review of Accounts*

Laffer Tengler Investments periodically reviews client accounts and provides reports to clients regarding their accounts. The nature and frequency of these reviews, as well as the frequency and content of these reports, is discussed in more detail below.

#### *Nature and Frequency of Client Account Review*

All client portfolios are reviewed at least annually for suitability based on the clients' investment objectives. We seek to meet with clients on a quarterly basis. Meeting frequency can vary based on client availability and requirements. Strategies are reviewed on an ongoing basis by the respective portfolio manager. Portfolio changes may be triggered by material market events, economic reports, news, earnings release, investment committee decisions or other factors.

#### *Frequency and Content of Client Account Reports*

Clients are provided with quarterly performance, holdings, and activity reports. Clients will also receive additional account information regarding their portfolios which typically includes industry breakdowns, asset allocations, etc. Clients will receive account statements directly from their account custodian, usually monthly but no less than quarterly.

#### *Client Referrals and Other Compensation*

Laffer Tengler Investments utilizes the custodial platforms of Pershing Advisor Solution. In

addition to providing us resources and services that benefit Client, Laffer Tengler Investments also receives other services that assist in business operations. These services include, but are not limited to, a dedicated service team, a dedicated trading desk, and access to third-party vendors who offer their services at a discounted rate. They also provide us with newsletters and publications relating to compliance, marketing, practice management, etc. In addition, events such as workshops or conferences may be available at reduced cost or no cost. These benefits are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions in order to obtain these products or services.

*Financial Information*

Laffer Tengler Investments does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore has no disclosure required under this item.