



USA Financial Formulas Corporation's Disclosure Brochure

This brochure provides important information about the qualifications and business practices of USA Financial Formulas Corporation ("Formulas"). If you have questions about the contents of this brochure, please contact our compliance department at (800)869-5994. The information contained in this document has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. This brochure was last revised on March 30, 2022.

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

Please consider carefully before becoming a client. Formulas is an SEC-registered investment adviser, SEC File No. 801-67442. SEC registration does not imply a certain level of skill or training.

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3. **Formulas** (the Firm) operates with limited discretionary authority to engage solely in the implementation of specific step-by-step investment criteria and account rebalancing as indicated and selected by the client. SEC File No. 801-67442. SEC registration does not imply a certain level of skill or training. This activity is generally referred to by the Firm as a Formula™ Investment Strategy. You should only invest in Formulas upon receiving and reading the Formulas ADV. ©2021 USA Financial Formulas™ All Rights Reserved.

ITEM 2: MATERIAL CHANGES

Formulas' previous brochure update was March 31, 2023. Updates include more clarity around the strategy fees charged by each strategy offered by USA Financial Formulas in Item 5. Additionally, in 2023 USA Financial Formulas discontinued the ability to open an account directly with the firm, and instead offers distribution through other investment platforms. Information surrounding direct relationships was removed.

Please read the remainder of this brochure for other important updates and disclosures related to these arrangements and for a general overview of how USA Financial Formulas operates. Also, you can find our Form CRS on our website at www.portformulas.com/reg-bi. The Form CRS Relationship Summary provides simplified disclosures and information related to how you can engage with our firm and what conflicts or disclosures you should be aware of when working with us. The website contains the expanded disclosure information that could not fit with Form CRS's page-limit confines.

You may also request a copy of our Brochure by contacting the compliance department at (800)869-5994.

Additional information about our firm is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any individuals affiliated with us who are registered, or are required to be registered, as investment adviser representatives of the firm.

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ITEM 4: ADVISORY BUSINESS

Services

USA Financial Formulas Corporation (“USA Financial Formulas”) is a registered investment adviser with the Securities and Exchange Commission (“SEC”). USA Financial Formulas provides investment portfolio advice and supervisory services. USA Financial Formulas was formed in 2007, with the primary objective of eliminating human emotion from the investing process. USA Financial Formulas is a wholly owned subsidiary of USA Financial Corporation (“USA Financial”). USA Financial is owned by Michael Walters and Brent Enders.

USA Financial Formulas only manages investment strategies on a discretionary basis. As of December 31, 2023, USA Financial Formulas had assets under management of approximately \$585,852,896. USA Financial Formulas offers investment strategies through third-party platforms. USA Financial Formulas serves as a sub-adviser for USA Financial Exchange’s TAMP platform. More on this arrangement can be found in the *Other Industry Activities and Affiliations* section.

USA Financial Formulas strategies are called “Portformulas.” Each Portformula is different, and investors should choose the Portformula that best suits their investment goals and objectives. It is important for investors to understand that USA Financial Formulas does not tailor investment advice to the needs of each particular investor and investment advice is limited to the investment strategies we offer. USA Financial Formulas will not give investment advice on other products or other accounts investors may own.

As previously mentioned, USA Financial Formulas’ primary objective is to eliminate human emotion from the investing process. This is accomplished by using a step-by-step, objective stock-selection process. USA Financial Formulas does not use money managers. USA Financial Formulas develops the stock selection criteria based on a particular portfolio’s objective, and then a formula selects only those equities that meet the qualification criteria, e.g., the stocks must have a specific price-per-earnings ratio or the stocks must be issued by a large cap company. Therefore, because of the nature of USA Financial Formulas, investors cannot place certain restrictions on their investment within the strategy. For example, each Portformula model will hold only those equities that meet the qualification criteria. This also means that USA Financial Formulas will not intervene in the event of market fluctuations. However, clients may place other reasonable restrictions on their account.

USA Financial Formulas Accounts

USA Financial Formulas offers several different portfolio options – each one designed with a specific investment goal. For example, a strategy aims to capture the best performers listed on the S&P 500. The strategy’s investment selection pool is any stock that is listed on the S&P 500. From there, the Portformula narrows down the stocks based on several specific criteria, eventually buying only those stocks that meet the criteria.

As referenced above, each Portformula’s criteria will dictate not only which investments to purchase, but how long each investment should be held, and when the investments will be sold because they no longer meet the investment criteria. Based upon each specific Portformula’s investment criteria, it may be possible that no holdings will qualify for the Portformula during a given period of time. This may result in an account maintaining a full money-market or institutional-bond position, but generally only for a limited period of time.

Strategies are designed to maintain a minimum 1 percent cash position that may exceed 1 percent based on trading activity within each investor’s account. The remaining percentage is fully invested in the Portformula’s holdings. Investors will always be able to identify the strategy’s holdings. The holdings within each strategy are updated, as necessary, by reapplying the formula and

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rebalancing the assets allocated to the strategy to achieve original asset allocations. Detailed information regarding the Portformula's selection criteria and rebalancing schedule can be found in the Portformula's hypothetical.

It is possible that, in the future, USA Financial Formulas may decide to change a Portformula's investment selection criteria based on economic research or other compelling considerations. Depending upon the materiality of these changes, a new strategy may be established, or, if not material, future enhanced metrics will be applied the existing strategy.

Investment Discretion

As referenced in the section Advisory Business, above, USA Financial Formulas exercises investment discretion on all assets invested in USA Financial Formulas strategies. Investment discretion occurs when an investment adviser can determine which securities should be purchased or sold.

Because portfolio holdings are selected based on a formulaic process and trading is done on an omnibus or block level, investors will not be able to instruct USA Financial Formulas to buy or sell specific securities within their account.

Portfolio Manager Information

Client Information Provided to Portfolio Managers

USA Financial Formulas does not utilize traditional money managers, i.e., a single person who makes decisions as to a model's holdings. Each Portformula chooses holdings based on the objective, investment selection criteria. USA Financial Formulas' advice is impersonal – we keep human emotion out of the investing process.

Client Contact With Portfolio Managers

USA Financial Formulas does not utilize portfolio managers. However, investors may contact USA Financial Formulas at any time for questions regarding USA Financial Formulas' investment strategies.

Portfolio Manager Selection and Evaluation

As mentioned above, USA Financial Formulas does not use money managers. USA Financial Formulas creates and defines each Portformula's overall investment objectives and the investment selection criteria. Once the investment-selection criteria are defined, however, USA Financial Formulas uses that criteria to determine investment recommendations – each proprietary, formulaic process applies the investment selection criteria to a universe of stocks or investment.

AMPLIFY PLATFORM

USA Financial Formulas utilizes the Amplify Platform through which investment adviser firms and investment professionals engage Ashton Thomas, The Amplify program Sponsor, to provide back-office operational support services and/or gain access to and select from independent third-party managers available through the Amplify Platform.

USA Financial Formulas is considered a Platform Member on the Amplify Platform. Platform Members may choose to receive certain back-office services, such as administrative, trading, and reporting services, and/or to select independent third-party managers to manage underlying client assets on a sub-advisory basis.

ITEM 5: FEES AND COMPENSATION

Fees for strategies, including most transactional charges, are charged as a percentage of assets under management, and are calculated, accrued and due monthly in arrears.

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A Portformula's strategy fee may be lower than the fees listed, however, **none of USA Financial Formulas' models will charge fees that exceed those referenced in the below fee schedule.**

Strategy Name	Strategy Fee	Minimum Investment Size
Bond Bull-Bear	0.75%	\$15,000
Freedom N100	0.95%	\$15,000
Freedom N100 RAM Park	0.95%	\$15,000
Freedom NSDQ	0.95%	\$15,000
Freedom R1000	0.95%	\$15,000
Freedom R1000 RAM Park	0.95%	\$15,000
Freedom R2000	0.95%	\$15,000
Freedom R3000	0.95%	\$15,000
Freedom SP500	0.95%	\$15,000
Freedom SP500 RAM Park	0.95%	\$15,000
Index Bull-Bear	0.75%	\$15,000
International Bull-Bear	0.75%	\$15,000
JUST Capital 100 - Sustainable Equity Freedom	0.50%	\$25,000
JUST Capital 100 - Sustainable Equity VLR	0.50%	\$35,000
JUST Capital Industry Leaders - Sustainable Equity Freedom	0.50%	\$25,000
JUST Capital Industry Leaders - Sustainable Equity VLR	0.50%	\$25,000
O'Shares Chairman Blend with BOSS	0.70%	\$1,000
S&P PRISM ETF Tracker Model	0.70%	\$10,000
Sector Bull-Bear	0.75%	\$15,000
Sherman Bull/Calendar	0.70%	\$5,000
Sherman Equity Exposure 10/30	0.70%	\$5,000
Sherman Equity Exposure 20/60	0.70%	\$5,000
Sherman Equity Exposure 30/90	0.70%	\$5,000
Sherman Optimum Bond	0.50%	\$5,000
Short Duration Plus	0.95%	\$5,000
Value Line Alpha Oriented Defensive Portfolio	0.70%	\$25,000
Value Line American Heartland Portfolio	0.70%	\$25,000
Value Line Bear Market Resistant Portfolio	0.70%	\$25,000
Value Line Mid Large Cap High Div	0.70%	\$25,000

The custodian where an investor's account is held will handle the account billing. Each custodian will deduct the fees directly from the account. Custodians are also responsible for sending you account statements. Investor statements will show the account value and the fee charged.

USA Financial Formulas' model and investment strategies are only available through its affiliate, USA Financial Exchange. However, it is possible that you could find other investment models that attempt to achieve the same investment objectives for lower cost elsewhere.

Research Partner Models

USA Financial Formulas utilizes various third parties that provide research and marketing-support services. The services of these research partners are available via models created by USA Financial Formulas but driven by the research partner's data, signals, and investment philosophy.

Specifically, USA Financial Formulas relies on JUST Capital, W.E. Sherman & Company, LLC, Annexus and S&P, and Value Line to

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provide data and inform decisions around various strategies. For additional information regarding our research partner relationships, see Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS AND OTHER CONFLICTS OF INTEREST, below.

The PRISM series of strategies is available through a licensing agreement with Annexus.

Additional Trading Information

USA Financial Formulas’ standard trading session occurs on or near the first trading day of the month. USA Financial Formulas will, if investors add new assets to a USA Financial Formulas strategy, they can instruct USA Financial Formulas to trade assets on the next available weekly trading session – if investors do not select this option, your account will not be traded until the following month’s routine trading session. USA Financial Formulas accounts participate in monthly trading; therefore, the costs are shared by many accounts. The number of accounts trading on any given week will be significantly less, therefore, the costs will be higher.

USA Financial Formulas may, from time to time, amend fees and billing procedures. Changes will become effective after 30 days prior written notice. USA Financial Formulas fees are not based on the financial performance or capital gains or losses experienced by an account.

USA Financial Formulas’ fees are based on ongoing product development, investment criteria implementation, and strategy monitoring. Lower fees for comparable services (bundled or unbundled) may be available from other sources. However, USA Financial Formulas believes that based on the detailed selection criteria and significant trading volume, it would be difficult and costly to implement our investment strategies individually.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

USA Financial Formulas does not charge performance fees – that is, fees based on a share of capital gains or capital appreciation of the assets in a strategy.

Side-by-side management occurs when an investment adviser manages both performance-based fee and accounts non-performance-based fee accounts at the same time. Side-by-side management can result in conflicts of interest because there is an incentive to direct clients to performance-based fee accounts because the firm will, most likely, receive more fees. However, because USA Financial Formulas does not charge performance fees, the firm does not engage in side-by-side management and has no conflicts of interest as a result.

ITEM 7: TYPES OF CLIENTS

USA Financial Formulas provides investment advice through its strategies to individuals, trusts, and corporations. Additionally, the majority of USA Financial Formulas’ investors are moderate to aggressive investors capable of sustaining losses in their investment accounts. **Conservative, risk-averse investors should seriously consider the risks involved before investing with USA Financial Formulas.**

Account Minimums

USA Financial Formulas strategies do have minimum investment balances to effectively implement the investment strategy selected. These minimums are as follows:

INSERT MINIMUM CHART

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ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

As referenced above, USA Financial Formulas' team creates and defines each Portformula's overall investment objectives and the investment selection criteria. Once the investment-selection criteria is defined, however, we use that criteria to determine our investment recommendations – our proprietary, formulaic process applies the investment selection criteria to a universe of stocks or investment.

Investment Strategies

USA Financial Formulas' investment strategies are varied.

The most important thing to understand is that USA Financial Formulas' investment strategies generally utilize equities. Equities are risky and investors need to be able to bear the risk of loss associated with an equity-laden investment strategy.

Additionally, attempting to eliminate human intervention from the investing process carries unique risks. USA Financial Formulas RAM Score tool tracks market and economic indicators to determine the risk of recession. If the RAM Score tool detects a probable recession, it will move assets out of the market. Similarly, once the RAM Score feature detects a probable bull market, it moves assets back into the market. However, there is no tool that can predict market performance with any certainty. Thus, any Portformula could be invested in the market during a significant decline, resulting in losses, or out of the market during a period of growth, causing the strategy to miss out on market gains.

USA Financial Formulas' investment strategies also involve frequent trading. Assets are traded on a monthly basis. Because USA Financial Formulas trades on an omnibus or block level, the firm can keep trading costs low, however, investors may pay more in transaction costs than if USA Financial Formulas did not engage in frequent trading. Also, frequent trading can result in tax consequences. Investors should speak with a tax professional regarding any potential tax implications.

Account Restrictions

USA Financial Formulas applies a carefully crafted formula to determine which securities should be purchased to implement each strategy. USA Financial Formulas does this in an attempt to eliminate human emotion from the investing process – USA Financial Formulas fundamental investment philosophy is founded on the premise that emotion can equate to unwise investment decisions. Therefore, using opinion or bias to change the securities chosen by the formula is antithetical to USA Financial Formulas investment philosophy.

That being said, investors are permitted to impose **reasonable** restrictions on the management of their account. Whether a particular restriction is reasonable depends on an analysis of the relevant facts and circumstances. For example, the exclusion of an individual stock due to conflicts of interest would appear to be reasonable under ordinary facts and circumstances. In the adopting release for Rule 3a-4, however, the SEC noted that programs do not need to permit investors to direct the manager to purchase specific securities or types of securities. The SEC also noted that the restrictions imposed by an investor could be unreasonable in the aggregate, even if each restriction is reasonable when considered separately. In addition, restrictions could be unreasonable if an investor changes them or imposes new restrictions with excessive frequency. Therefore, USA Financial Formulas will permit investors to impose reasonable account restrictions if they are reasonable in light of the relevant facts and circumstances. However, investors cannot direct USA Financial Formulas to purchase specific securities.

If restrictions are unreasonable, USA Financial Formulas will contact the investor and give the investor an opportunity to restate the

restriction more reasonably. If an investor is unable or unwilling to modify an unreasonable restriction, they will be removed from the program.

Given that decisions based on human emotion and/or general human intervention fly in the face of USA Financial Formulas' investment philosophy and advice, if investors choose to request a reasonable restriction, they will be asked to complete USA Financial Formulas' Reasonable Restrictions Disclosure form. This form will document an investor's desired restriction and acknowledge that the request is outside of USA Financial Formulas' standard investment advice. Please note that because restrictions fall outside of USA Financial Formulas' investment advice, USA Financial Formulas is not responsible for performance that differs from other similarly situated client accounts based on the requested restriction.

USA Financial Formulas identifies which securities will be held in the clients' accounts on or around the first of the month, prior to the standard, beginning-of-the-month trading. As a result, USA Financial Formulas will screen the clients' account to ensure that the reasonable restriction is honored. If a restricted position trades into the investor's account, USA Financial Formulas will take necessary measures to ensure that the position is removed.

Risk of Loss

USA Financial Formulas' investment strategies utilize securities, primarily equities. Investing in securities involves risk, including but not limited to, loss of principal, loss of investment gains and missed growth opportunities. Before investing investors must determine whether they are financially capable of withstanding these losses, which could be significant.

ITEM 9: DISCIPLINARY INFORMATION

Neither USA Financial Formulas nor its owners, officers, or directors have ever been involved in a material, disciplinary action.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES, AFFILIATIONS, AND OTHER CONFLICTS OF INTEREST

Other Financial Industry Activities

USA Financial Formulas' only business activity is operating as a registered investment adviser.

Other Financial Industry Affiliations

USA Financial Formulas is a wholly owned subsidiary of USA Financial. USA Financial Corporation also owns other companies: USA Financial Insurance Services Corporation ("USAF Insurance"), USA Financial Securities Corporation ("USAF Securities"), USA Financial Marketing Corporation ("USAF Marketing"), USA Financial Exchange Corporation ("Exchange"), and USA Financial Protocol Corporation ("USAF Protocol"). USAF Insurance wholesales fixed insurance products to independent insurance agents. USAF Securities is an SEC-registered broker-dealer and registered investment adviser. USA Financial Marketing develops and distributes marketing and technology solutions for financial professionals and investors. USA Financial Exchange is an SEC-registered investment adviser offering advisory platform services to financial advisers and registered investment advisers. USA Financial Protocol Provides business consulting and branding services to financial advisers.

Michael Walters is the chief executive officer of USA Financial Insurance Services, USA Financial Securities, USA Financial Exchange, USA Financial Protocol, and USA Financial Marketing. Brent D. Enders is the president.

USA Financial Formulas' success depends on continued corporate and individual relationships with various broker-dealers,

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investment advisers, and banking institutions. We serve as a subadviser on accounts through USA Financial Exchange.

Conflicts of Interest

There are, necessarily, conflicts of interest that arise in the financial services industry. A conflict of interest is anything that could cause USA Financial Formulas to place its interests ahead of an investor. These conflicts are found everywhere in our industry, but USA Financial Formulas tries to mitigate them and disclose them to investors so that investors are informed.

USA Financial Formulas distributes its strategies through accounts on USA Financial Exchange, an affiliated entity with common ownership. Because USA Financial Exchange is affiliated with USA Financial Securities and USA Financial Formulas, there exists a conflict of interest when recommending these entities to an investor because it means USA Financial gets paid more than if we recommended other non-affiliated investment firms.

Another conflict that investors should understand is recruiting arrangements. Recruiting arrangements in the financial services industry are not uncommon – whether the payment is up front (e.g., recruiting bonuses or forgivable loans) or ongoing (e.g., increased payouts or additional compensation through affiliated entities). In the past, USA Financial did provide forgivable loans with the only condition being that the financial professional remain registered with USA Financial for a specified length of time. USA Financial does not provide recruiting bonuses. USA Financial provides our advisers with transition support dollars to help with the cost and loss of revenue associated with moving brokerage or advisory firms. USA Financial also wants advisers to feel like partners. Therefore, USA Financial created the Advisor Legacy program. The Advisor Legacy program has many components, but most important in terms of conflicts, is the Advisor SHARES program. Advisor SHARES grants ownership interest to USA Financial’s qualified advisers based on revenue submitted to USA Financial. USA Financial does not favor one product or product category over another – advisers earn shares based on volumes submitted across the products and services USA Financial offers. However, investors need to be aware of this program because it is an incentive for advisers to move to USA Financial and place business with the firm. USA Financial believes we mitigate this risk by not favoring one product over another and maintaining strict suitability reviews and standards to ensure that all transactions are in an investor’s best interest.

USA Financial Formulas also has an expense sharing agreement with USA Financial Securities, USA Financial Exchange, and USA Financial Insurance Services. Employees of USA Financial Formulas may also be employees of USA Financial Securities, USA Financial Insurance Services, USA Financial Exchange, or USA Financial Marketing. Therefore, USA Financial Formulas’ investors may also be clients of USA Financial Securities or USA Financial Exchange.

USA Financial Formulas will recommend other investment advisers upon request. Because Mr. Walters and Mr. Endersown an investment adviser, USA Financial Securities, USA Financial Formulas may recommend this firm for transactions. If investors work with USA Financial Securities, it will result in compensation being paid to a USA Financial affiliate. However, investors do not have to use USA Financial Securities to invest with USA Financial Formulas and investors will never pay more than what is stated in the fee schedule for USA Financial Formulas’ services, regardless of which investment adviser used, unless investors select a Portformulas strategy on USA Financial Exchange, as stated above.

Additional Arrangements

RESEARCH PARTNERS

JUST Capital

USA Financial Formulas utilizes JUST Capital for research and marketing-support services. Specifically, USA Financial Formulas relies on JUST Capital’s research to create socially conscious models. JUST Capital measures and ranks the performance of America’s largest publicly traded companies on the issues that matter most in defining just business behavior. The issues and the weights that are afforded to each issue are determined by polling the American public.

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USA Financial Formulas paid JUST Capital a one-time, upfront licensing fee. USA Financial Formulas also provides JUST Capital a share of the revenue derived from the Just Capital models as compensation for their research services and marketing support.

W.E. Sherman & Co

W.E. Sherman (“Sherman”) is another research partner. The Sherman Sheet is published by the investment research team at Sherman. Led by long-time professional money manager Bill Sherman, the research and analysis performed by the team is exclusively available to licensed investment managers/advisors. The Sherman Sheet was developed with the purpose of delivering a coherent, nimble and easy-to-explain tactical approach. Combined with USA Financial Formulas’ transparent, disciplined, and unemotional approach The Sherman Series provides fact-based strategies based on three core beliefs: 1. Investors don't know where the market will go - and neither does anyone else. 2. Wherever the market goes, it will get there by trending. 3. Along the way, there will be outperformers and underperformers.

Using supply and demand analysis, the Sherman Series fact-based strategies concentrate on identifying market trends to determine market exposure while identifying outperformers to include in portfolios. This trend identification and formulaic portfolio selection process provide the two essential ingredients of successful investing: the “when” and the “what.” The holdings within each strategy are evaluated and determined on a quarterly basis. However, various trends are monitored daily which could result in a defensive or exit strategy being employed at any time if the data dictates to do so.

USA Financial Formulas pays Sherman a tiered basis points (“bps”) fee on all models in The Sherman Series.

Value Line

Value Line was founded in 1931 with the objective to develop analytic measures that would signal when a stock was over- or undervalued and would not yield to emotions. What soon followed would revolutionize the practice of securities analysis and send Value Line on its path to become one of the world’s leading independent investment research organizations.

The Value Line Investment Survey provides an interpretative analysis of approximately 1,700 stocks that, collectively, make up nearly 90% of the market capitalization of all stocks traded in U.S. markets. The System comprises three key ranking criteria:

- **The Value Line Timeliness Rank** measures predictive relative price performance of the approximately 1,700 stocks during the next six to 12 months. Components of the Timeliness Rank include such items as the trend of relative earnings and prices and earnings surprises.
- **The Value Line Safety Rank** measures the total risk of a stock relative to the approximately 1,700 other stocks. It is derived from a stock's Price Stability score and from the Financial Strength rating of a company.
- **The Value Line Technical Rank** uses a proprietary formula to predict short-term (three to six month) future price returns relative to the Value Line universe. It is the result of an analysis that relates price trends of different durations for a stock during the past year to the relative price changes of the same stock over the succeeding three to six months.

Each model in the Value Line Series has a unique investment process that applies one or all of the ranking criteria described.

Annexus Management Company LLC and S&P Dow Jones Indices LLC

Annexus and S&P Dow Jones Indices partnered in 2018 to develop the Performance Response Integrated Selection Method, or PRISM, Framework that was originally used to launch indices within the Fixed Index Annuity (FIA) and Index Universal Life (IUL) market. In 2022, S&P Dow Jones Indices and Annexus expanded their partnership to develop the S&P PRISM ETF Tracker Index, or the Index, that USA Financial Formulas licensed to develop the first multi-asset managed account that tracks an S&P index.

This strategy uses weekly evaluation and trade recommendations from the research partners with the goal to simply mirror the index.

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USA Financial Formulas pays both Annexus and S&P Dow Jones Indices LLC for use of the index. Annexus is paid 0.125% quarterly and based on strategy values at quarter end. S&P is paid 0.075% quarterly based on an average daily balance over the period.

O'Shares

USA Financial Formulas offers a strategy comprised of four exchange traded funds (ETFs) that are created and owned by O'Shares. USA Financial Formulas applies an indicator obtained through the Sherman research partner relationship to these ETF holdings. At any time should the indicator determine an exit from the equities market is warranted, the O'Shares ETFs held in accounts invested in this strategy will be sold and assets will be invested in money market holdings. When the indicator determines it is favorable to invest in equities again, the accounts invested in this strategy will repurchase the O'Shares ETF holdings.

USA Financial Formulas does not pay any additional fees to O'Shares for use of the ETFs in this strategy. As the holdings are offered by O'Shares, O'Shares is compensated from the internal expenses charged through the ETF position. USA Financial Formulas charges 0.70% for this strategy and the application of the market indicators to the holdings.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

USA Financial Formulas, its employees and associated persons are committed to providing high quality investment guidance to investors in an atmosphere that puts investor interests first, in full compliance with federal and state laws and regulations. Accordingly, the board of directors has adopted a code of ethics pursuant to SEC Rule 204A-1.

USA Financial Formulas code of ethics covers USA Financial Formulas, and its directors, officers, managers, employees and associated persons ("Covered Persons"). USA Financial Formulas has made our Code of Ethics available to all "Covered Persons." The Code of Ethics will be provided to any investor or prospective investor upon request.

Participation in Client Transactions and Personal Trading

USA Financial Formulas has its own account and many employees also have individual accounts ("proprietary accounts"). It is possible that USA Financial Formulas or its employees may purchase the same securities for its or their own accounts that USA Financial Formulas recommends. Neither USA Financial Formulas nor USA Financial Formulas related persons are permitted to enter into or have an interest in an investment transaction that would create a conflict between our interests and investor interests without fully disclosing the conflict. Neither USA Financial Formulas nor any related persons are permitted to benefit, directly or indirectly, from client transactions. Proprietary accounts may benefit on the same basis and to the same extent as clients' accounts when each holds the same investment. USA Financial Formulas does not allow "cross transactions" between investors.

Generally, investor transactions must be executed before or at the same time as transactions for proprietary accounts. USA Financial Formulas' investment philosophy does not permit individual stock trades or independent transactions. Because each account within a particular Portformula has the same holdings and trades are made at the same time on an omnibus level, USA Financial Formulas does not believe that this is an issue.

ITEM 12: BROKERAGE PRACTICES

Directed Brokerage

USA Financial Formulas does not directly hold any investor accounts and all investments in a USA Financial Formulas strategy take place through a platform, usually the platform of another investment adviser and their custodial relationships. As no client assets are placed with a custodian through their choice of investing in a strategy with USA Financial Formulas, the firm does not have any conflicts associated with or opportunity to direct which custodian to utilize.

Best Execution

USA Financial Formulas does not select which custodian an investor may choose for their accounts and access to USA Financial Formulas investment strategies. USA Financial Formulas does not determine which custodians a platform or investor may use. However, USA Financial Exchange, an affiliate platform through which an investor can access USA Financial Formulas strategies does select various custodial relationships. Therefore, USA Financial Exchange is obligated to ensure orders are being sent to the markets in an efficient manner and to execute any transactions in the manner it believes is in the client's best interest. The Firm's primary consideration with regard to purchases and sales for its clients is obtaining the most favorable execution of the transactions needed to implement client's investment strategy.

Price received on an execution is obviously an important factor in determining best execution, but it is certainly not the only factor to consider. So therefore, in addition to reviewing execution prices, the firm conducts a comprehensive review of non-price factors having a direct impact on overall execution quality. The areas reviewed include but are not limited to: 1. The custodian's overall pricing structure, 2. The custodian's execution capability during volatile market conditions, 3. The custodian's response to trade corrections, requests for information and general willingness, ability, facilities and infrastructure to work with regional broker-dealer and investment advisor firms, 4. The frequency of trade errors, 5. Confidentiality of orders, and 6. The custodian's overall financial strength and reputation.

ITEM 13: REVIEW OF ACCOUNTS

USA Financial Formulas does not open client accounts. The investment adviser that recommends a USA Financial Formulas' investment strategy is responsible for determining suitability. USA Financial Formulas has many Portformulas and while each Portformula may have different goals and objectives, USA Financial Formulas' overall investment strategies are designed for long-term investing. Therefore, USA Financial Formulas may not be an ideal investment option if an investor's goal is short-term trading.

Each Portformula is reviewed monthly to ensure that the selection criteria are being applied properly and to rebalance assets as necessary.

USA Financial Formulas does not provide regular written reports – through their relationships with the investment advisers and platforms where USA Financial Formulas is distributed, investors will have access to their account to see the account's specific holdings, account value, and relevant tax information.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

USA Financial Formulas enters into agreements with investment advisory firms to distribute USA Financial Formulas. We pay platform fees to these investment advisers for access to their platform and distribution.

ITEM 15: CUSTODY

As discussed above, a custodian is a financial institution that has the ability to maintain possession of client funds or securities or has

Formulas (the Firm) operates with limited discretionary authority to engage solely in the implementation of specific step-by-step investment criteria and account rebalancing as indicated and selected by the client. SEC File No. 801-67442. SEC registration does not imply a certain level of skill or training. This activity is generally referred to by the Firm as a Formula™ Investment Strategy. You should only invest in Formulas upon receiving and reading the Formulas ADV. ©2021 USA Financial Formulas™ All Rights Reserved.

the ability to withdraw funds or securities from a client's account. USA Financial Formulas does not perform these services, i.e., we do not retain possession of any funds or securities invested in a Portformula.

USA Financial Formulas also serves as a sub-adviser through USA Financial Exchange's TAMP. Please see *Other Industry Activities and Affiliations* for additional details regarding this arrangement.

ITEM 16: INVESTMENT DISCRETION

As referenced in the section Advisory Business, above, USA Financial Formulas exercises investment discretion on all investment strategies. Investment discretion occurs when an investment adviser has the ability to determine which securities should be purchased or sold within a client's account. Pursuant to this limited discretionary authority, USA Financial Formulas provides the trade instructions to each platform on which securities should be bought and sold to fulfill the recommendations of each Portformula strategy.

ITEM 17: VOTING CLIENT SECURITIES

USA Financial Formulas will not be responsible for responding to proxies. Each custodian will forward all proxy information directly to each investor for response and voting. Because the majority of USA Financial Formulas' portfolios are equities-based, investors may receive a large volume of proxies. It is also possible that due to USA Financial Formulas' high turnover, by the time investors receive proxy material, they may no longer own the relevant shares. USA Financial Formulas will not answer questions or provide guidance regarding particular proxy solicitations.

ITEM 18: FINANCIAL INFORMATION

There are currently no financial issues or conditions that are reasonably likely to impair USA Financial Formulas' ability to meet its contractual obligations.

PRIVACY POLICY

USA Financial Formulas is committed to safeguarding investor confidential information because mutual trust is essential to a successful relationship. Below is USA Financial Formulas policy for handling investor personal information. USA Financial Formulas welcomes any questions or concerns you may have regarding your personal privacy.

Information Collected

USA Financial Formulas collects nonpublic, personal information from investors, to assist the firm in giving appropriate investment advice and in managing your investments. "Nonpublic personal information" is nonpublic information about investors that USA Financial Formulas obtains in connection with providing a financial product or service for personal, family, or household purposes. It does not include information available from government records, widely distributed media or government mandated disclosures. The categories of nonpublic information that USA Financial Formulas collects from investors depends on the scope of the engagement. USA Financial Formulas collects nonpublic, personal information about investors from the following potential sources:

- Information on applications or other various forms, such as name, address, social security number, telephone number, assets, income, taxes, medical and health information to the extent that it is needed to determine the proper Portformula
- Information about transactions with USA Financial Formulas, affiliates, custodians, or others, such as account balance, investment cost, investment distributions, investment gain or loss, payment history, parties to transactions, account usage, and insurance policy coverage and premiums.

Third Parties with Whom We May Share Information

Formulas (the Firm) operates with limited discretionary authority to engage solely in the implementation of specific step-by-step investment criteria and account rebalancing as indicated and selected by the client. SEC File No. 801-67442. SEC registration does not imply a certain level of skill or training. This activity is generally referred to by the Firm as a Formula™ Investment Strategy. You should only invest in Formulas upon receiving and reading the Formulas ADV. ©2021 USA Financial Formulas™ All Rights Reserved.

We do not disclose nonpublic, personal information about investors to anyone else except as otherwise permitted or required by law. For example, USA Financial Formulas is permitted by law to share information with:

- Investment advisers and their employees, if they introduced the investor to USA Financial Formulas, and internal employees.
- Companies that may assist us in processing your transactions and servicing your account, such as the custodian, introducing and clearing brokerage firms, mutual fund companies, and insurance companies.
- Custodians may utilize a necessary third party to complete Consumer Identification Procedures (CIP). A CIP notice is required for all customers pursuant to the U.S. Patriot Act.
- An accountant, tax preparer, or lawyer who is representing the investor.
- Federal and state regulators who regulate USA Financial Formulas.

USA Financial Formulas does not provide your personally identifiable information to direct marketers or independent solicitors (for other companies) for any purpose.

Disclosure of Information About Former Investors

If you decide to terminate your investment with a USA Financial Formulas investment strategy, we will continue to adhere to the privacy practices described in this notice. USA Financial Formulas will maintain personally identifiable information about investors during the time they were invested, and for any time thereafter that USA Financial Formulas is required to maintain the records by federal and state securities laws.

Security Policies and Practices

USA Financial Formulas takes reasonable steps to assure the security of client information. The firm restricts access to nonpublic, personal information about investors to those employees who have a business or professional reason for knowing, as permitted by law. USA Financial Formulas maintains an office and computer environment reasonably designed to help ensure that investor information is not placed at unreasonable risk of disclosure or theft. USA Financial Formulas has designed reasonable physical, electronic and procedural safeguards to help protect your nonpublic, personal information.

USA FINANCIAL FORMULAS' BROCHURE SUPPLEMENT

Brochure Supplements are designed to provide additional information regarding the individuals who formulate investment advice and/or create investment models for USA Financial Formulas.

Michael D. Walters, CEO

Michael Walters creates and defines each Portformula's overall investment objectives and the investment selection criteria. Once the investment-selection criteria are defined, however, we use that criteria to determine our investment recommendations – our proprietary, formulaic process applies the investment selection criteria to a universe of stocks or investment.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mr. Walters was born in 1965. He graduated from Central Michigan University in 1988 with a degree in business administration and marketing and management. He started USA Financial Formulas' affiliate, USAF Insurance Services in 1988 and from there, he opened USAF Securities in 1998, USA Financial Formulas in 2006, and various other entities, as described in our firm brochure, under Other Business Activities.

DISCIPLINARY INFORMATION

None.

OTHER BUSINESS ACTIVITIES

Mr. Walters is the chief executive officer of USA Financial Corporation. USA Financial Formulas is a wholly owned subsidiary of USA Financial Corporation ("USA Financial"). USA Financial Corporation also owns other companies: USA Financial Insurance Services Corporation ("USAF Insurance"), USA Financial Securities Corporation ("USAF Securities"), USA Financial Marketing Corporation ("USAF Marketing"), USA Financial Exchange Corporation ("Exchange"), and USA Financial Protocol Corporation ("USAF Protocol"). Additional details regarding these entities can be found, above.

ADDITIONAL COMPENSATION

Mr. Walters does not directly receive any compensation that is based on the number of sales, new accounts, or referrals. He also does not receive any economic benefit from anyone who is not a client for providing advisory services. Mr. Walters' compensation is derived from the overall revenue of USA Financial.

SUPERVISION

USA Financial Formulas has adopted a comprehensive compliance and ethics program that governs all owners, principals and staff. Additionally, Mr. Walters and all USA Financial Formulas staff must answer to USA Financial Formulas' board of directors. The board, along with USA Financial's investment committee, also regularly reviews USA Financial Formulas' stock-selection criteria, proprietary screening software, and performance. You may contact USA Financial Formulas' chief compliance officer, Dawn Thomason, at (800) 869-5994 x 467, if you have any questions regarding USA Financial Formulas' supervisory practices.