



KRANE FINANCIAL SOLUTIONS

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This brochure provides information about the qualifications and business practices of Krane Financial Solutions. If you have any questions about the contents of this brochure, please contact us at (310) 989-0934 or justin@kranefinancialsolutions.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Krane Financial Solutions is registered as an investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

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

Item 2: Material Changes

Below is a summary of the updates that were made to this Form ADV Part 2A (“Disclosure Brochure”) for Krane Financial Solutions, Inc.

Item 4 – Advisory Business – updated to: (i) reflect the Firm’s assets under management to as of December 31, 2023, and (ii) expand the disclosures regarding the business consulting services offered by the Firm.

Item 5 – Fees and Compensation – updated disclosures on fixed and hourly fees to remove language on services no longer provided and to reflect these types of fees are charged when providing business consulting.

Item 7 – Types of Clients – added disclosures on fiduciary duty standards under ERISA.

The changes discussed above are only those material changes that have been made to this brochure since the firm’s last update of the brochure. The date of the last update of the brochure was March 30, 2023. Krane Financial has made other non-materials updates to this Disclosure Brochure, so we encourage both prospects and clients to read the full document and contact us with any questions.

Pursuant to federal regulations, Krane Financial Solutions will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Krane Financial Solution’s fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Krane Financial Solution’s Brochure is available anytime upon request or at the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

Krane Financial Solutions is a registered investment adviser firm registered with the Securities and Exchange Commission since April 15, 2010.

The principal owner of Krane Financial Solutions, LLC is Justin D. Krane, President and Chief Compliance Officer.

Types of Advisory Services

Krane Financial Solutions' ("Krane Financial" or "Advisor") offers investment advisory services, which consist of investment management, financial and retirement planning, and consulting to retirement plans and businesses.

Investment Management Services

The Advisor offers customized portfolio management, on a discretionary and non-discretionary basis, according to the client's overall investment objectives and guidelines. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may recommend and/or invest clients' assets in a variety of types of investments, including but not limited to U.S. and foreign equity securities, warrants, corporate debt securities, commercial paper, Certificate of Deposits (CDs), municipal securities, mutual funds, exchange traded funds, U.S. Government securities, and options in securities.

Depending on client needs, Krane Financial's investment recommendations include, but are not limited to:

- Redistributing investment allocations to diversify a client's portfolio in an effort to manage risk and increase performance;
- Investing in specific stocks to increase sector weighting and/or dividend potential;
- Employing cash positions as a possible hedge against market movement which may adversely affect a client's portfolio;
- Selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for a client's risk tolerance; and

Please refer to Item 8 for further information on Krane Financial's method of analysis and investment strategies, including risks surrounding the types of investments utilized.

Krane Financial provides investment advisory services and portfolio management services but does not provide securities custodial or other administrative services. At no time will Krane Financial accept or maintain custody of a client's funds or securities. Please refer to Item 15 for further information on custody.

Qualified Retirement Plan Advisory and Consulting Services

Krane Financial offers advisory services to Qualified Retirement Plans ("Plans") including Plan evaluation, investment allocation recommendations, investment selection recommendations,

monitoring of investment service providers, educational seminars for Plan participants, and Plan enrollment and participant communication assistance. Krane Financial will provide information and recommendations to aid the Plan Sponsor in selecting and monitoring investments offered to Participants in the Plan.

The Advisor's roles and actions in fulfilling all responsibilities pertaining to the agreement shall not include those of the Plan's Trustee and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will the Advisor accept, maintain possession of, or have custodial responsibility for, the Plan's assets. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor and shall not be represented by the Advisor or Plan Sponsor as investment, tax or legal advice. The Advisor is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.

Financial Planning

In addition to investment management services, Krane Financial offers financial planning services to certain clients. The type and extent of the financial planning services provided will depend on the client's needs, and can include areas such as insurance, taxes, retirement needs, investments, budgeting, and estate planning.

Krane Financial shall provide the client with financial planning recommendations, which get developed as a result of consultations with the client where the client provides Krane Financial with information about the client's goals and objectives. For comprehensive financial planning services, the Advisor will provide a written financial plan to the client.

Any investment recommendations provided will include advice on portfolio customization based on the client's investment objectives, goals, and financial situation.

Clients are advised that certain assumptions are made with respect to interest and inflation rates, use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Krane Financial cannot offer any guarantees or promises that the client's financial goals and objectives will be met.

For all financial planning services provided by Krane Financial, clients are free at all times to accept or reject any or all recommendations made by Krane Financial and clients retain the authority and discretion on whether or not to implement the Advisor's recommendations. If the client decides to follow the Advisor's recommendations, the client has the option, but is under no obligation, to implement such recommendations with Krane Financial through the Investment Management Services, as described above.

Business Consulting Services

For advisory clients that have their own businesses, Krane Financial will assist the clients, if requested, with creating one or more customized business strategies, which include:

- Tracking key performance indicators
- Working with bookkeepers
- Tax planning
- Understanding financial statements

- Pricing
- Making investments in the business
- Marketing campaigns
- Handling business assets

Clients that receive these services are not obligated to implement any of the recommendations made by Krane Financial and are free at all times to accept or reject any such recommendations. Should a client decide to implement any investment recommendations, they may do so through Krane Financial or any other firm of their choosing.

This service is usually charged an hourly or fixed fee, which is in addition to any investment management fees being paid by the client to Krane Financial. Please refer to Item 5 below for further detail.

Consultation on Alternative Investment Opportunities

Krane Financial does not typically include alternative investments (including private funds, private equity, limited offerings and/or real estate) as part of its asset allocation within client portfolios or recommend as part of its financial planning advice. In the event that a client specifically requests Krane Financial to review a particular alternative investment as a stand-alone investment separate and distinct from the assets managed by Krane Financial, due diligence could be performed by the firm, in its sole discretion, pursuant to an addendum to the written client agreement between the client and Krane Financial. As part of this service, the Firm also can perform one or more of the following, as selected by the client:

- Exploring the implications of having an asset allocation to the alternative investment opportunity;
- Providing a one-time review of the alternative investment opportunity and advising on liquidation, reinvestment and/or other actions that client should consider; and/or
- Reporting on the performance of the alternative investment as part of the performance reporting issued by Krane Financial

There are significant risks when investing in alternative investments. A summary of certain risks is outlined in the written agreement addendum and should be read fully.

No additional fees are charged for this service. Each client receiving this service can accept or reject any consultation opinions provided by Krane Financial, has the sole responsibility for any purchase or sale of the alternative investment, and the ongoing monitoring of the investment.

Newsletters

Krane Financial also provides newsletters to clients and prospects at no charge. The newsletter can include but is not limited to topics such as current market conditions, retirement planning, financial planning, insurance and estate planning and any other relevant topics or information the Advisor deems appropriate.

Important Information Relating to Krane Financial's Services

The investment advice provided by Krane Financial is customized to each client's individual needs, objectives, and other financial goals. At the onset of the client relationship, Krane Financial memorializes each client's investment objectives, risk tolerance, investment guidelines,

time horizons, tax status, liquidity requirements, and other important and necessary information. The information provided by the client, together with any other information relating to the client's overall financial circumstances, will be used by the firm to determine the appropriate portfolio asset allocation and investment strategy for each client.

Krane Financial does not assume any responsibility for the accuracy of the information provided by the client and is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying Krane Financial in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies Krane Financial of changes in the client's financial circumstances, it will review such changes and implement any necessary revisions to the client's portfolio.

Prior to engaging the Firm, the client will be required to enter into a written agreement setting forth the terms and conditions under which Krane Financial shall render its services (the "Agreement"). In accordance with applicable laws and regulations, Krane Financial will provide a disclosure brochure (ADV Part 2A), one or more brochure supplements (ADV Part 2B), and Form CRS (as applicable) to each client prior to or contemporaneously with the execution of an investment advisory agreement. The Agreement between Krane Financial and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Krane Financial's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Neither Krane Financial nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of a Krane Financial shall not be considered an assignment.

At no time will Krane Financial accept or maintain physical custody of a client's funds or securities. Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. All such guidelines and restrictions must be communicated to Krane Financial in writing. There may be times when certain restrictions are placed by a client, which prevents Krane Financial from accepting or continuing to manage the account. Krane Financial reserves the right to not accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent it from carrying out its investment strategies.

Krane Financial does not provide portfolio management services through wrap fee programs and does not sponsor any wrap programs.

Krane Financial manages client assets and as of December 31, 2023, has the following assets under management:

Discretionary assets:	\$117,870,831
Non-discretionary assets:	<u>\$102,733,948</u>
Total	\$220,604,779

Item 5: Fees and Compensation

Investment Management Fees

Krane Financial charges each client an annual investment management fee, which is calculated quarterly and payable in advance. Quarterly fees are calculated at the beginning of each quarter and are based on the total market value as of the end of the previous calendar quarter that is received from the client's custodian (which includes cash and cash equivalents and any margin balance) for each client's account(s) managed by Krane Financial.

Should a client open an account with Krane Financial during a quarter, our investment management fee for the quarter will be due and payable at the time the client opens the account(s) with us and prorated based on the amount of initial assets in the account(s) and the number of days remaining in the quarter. In the event that our services are terminated any time during a quarter, our investment management fee shall be prorated through the date of termination as defined in the Agreement and any pre-paid unearned fees will be refunded to the client. Krane Financial does not adjust fees for additions or withdrawals.

The range of Krane Financial's annual investment management fee is 0.20% to 1.50%. The percentage that will be charged is negotiated with each new client and based on a number of factors, including but not limited to the amount of assets under management and complexity of services. Krane Financial does have clients with different fee structures/percentages and calculation methodology than what is stated above, including fixed fee arrangements.

There are times when Krane Financial recommends that a client utilize a margin account. The use of margin in an investment advisory account will likely increase a client's asset-based fee. If margin is used to purchase additional securities, the total value of eligible account assets increases, as does the client's asset-based investment management fee paid to the Advisor. In addition, clients will be charged margin interest on the debit balance in their account. Notably, the increased asset-based advisory fee that a client pays presents a conflict since there is an incentive for Krane Financial to recommend the use of margin. However, please note that using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk. Please refer to Item 8 below for further information on the risks surrounding margin accounts.

When determining the market value of a client's account for purposes of calculating asset-based investment management fees, Krane Financial relies on the market value provided by the clients' custodian. At the beginning of each calendar quarter, Krane Financial obtains the total market value amount as of the end of the preceding calendar quarter for each client account and calculates the quarterly investment management fee. However, clients should be aware that the market value used for calculating the investment management fee can, and sometimes does, vary from the market value amount reflected on the custodian statement for the same period. This mainly is due to the timing of when Krane Financial obtains the quarter end value from the custodian vs. when the custodian runs their quarter end reports, which are affected by factors such as accrued interest on fixed income securities, dividends, and trade settlements.

Krane Financial maintains written valuation policies and procedures, which outline our policy and include steps the firm will take in the unlikely event that a security price is not provided by the custodian and not readily available.

Clients give Krane Financial permission via the Agreement to debit investment management fee directly from their managed accounts. At the beginning of every quarter, Krane Financial sends an invoice to each client's custodian(s), unless a client has arranged to pay the advisory fees to Krane Financial directly, in which case the Firm will send the invoice to the client. Upon receipt of an invoice from Krane Financial, the custodian debits the Firm's investment management fees from each client's account(s) and pays the fees directly to Krane Financial. All fees debited from a client's account are reflected on the client's account statement provided to the client by the custodian.

Hourly and Fixed Fees

For financial planning and business consulting services, Krane Financial will charge either an hourly rate fee or a fixed price fee, as negotiated with each client.

The Advisor's hourly fee will be billed in the range of \$200 to \$1000 per hour depending on the complexity of the project and the individual circumstances of the client and are negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed monthly upon completion of work performed during each month and will receive an invoice from the Advisor, unless a different fee payment arrangement has been agreed upon between the client and Krane Financial.

The fixed fee ranges from \$500 to \$40,000 and will be charged either as a one-time fee or as an annual retainer depending on the complexity of the project and the individual circumstances of each client. Fixed fees are negotiated and agreed upon during the initial engagement of the firm. Fixed fee clients will receive an invoice from the Advisor unless a different fee payment arrangement has been agreed upon between the client and Krane Financial. At no time will Krane Financial charge \$1200 or more and six months or more in advance of any work being performed.

Qualified Retirement Plan Advisory and Consulting Fees

The Plan Sponsor will pay the Advisor as compensation for its services under an advisory agreement signed by the Sponsor, an annual advisory fee, as negotiated between the Plan Sponsor and Krane Financial. The annual advisory fee charged ranges from 0.00% to 1.25% depending on, among other things, the complexity of the Plan and the services being provided. The advisory fee is payable quarterly in advance and is based on the fair market value of the assets in the Plan at the end of each quarter.

The consulting fee is a flat fee that is negotiated between the Plan Sponsor and Krane Financial and ranges from \$0.00 to \$25,000 depending on, among other things, the complexity and amount of consulting services being provided.

The fees in the first month of the Agreement shall be prorated from the inception date to the end of the quarter. The Advisor shall invoice the Plan Sponsor for the fee. The Plan Sponsor may, at its election, submit invoices for the fee to the custodian of the Plan's assets for payment. The Plan Sponsor agrees to payment of these invoices, whether directly from the Plan Sponsor or from the Plan's custodian, promptly, and, under normal circumstances, by the end of the month in which the invoice is submitted.

Additional Information Regarding Fees

Krane Financial's fees are negotiable and arrangements with any client may differ from those described above. Krane Financial has clients that have lower and higher fees than reflected above and has in the past and may in the future, in its sole discretion, waive its fees in their entirety and/or reduce its fees for certain clients and friends and family of the firm, and could change the above listed fee amounts and fee arrangements at any time.

Although Krane Financial believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms.

The fees charged by Krane Financial do not include charges imposed by third parties such as custodian fees and mutual fund fees and expenses (including Exchange Traded Funds (ETFs)). Client assets are subject to additional expenses and fees (as applicable), such as transaction costs, retirement plan administration fees, deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, annuity surrender charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Client assets invested in mutual funds and/or ETFs will be subject to certain fees and expenses imposed directly by mutual funds and ETFs to their shareholders, which are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and/or a distribution fee (e.g., 12b-1 fees). These fees are referred to as a fund's "expense ratio" and are deducted at the mutual fund level when calculating the fund's net asset value ("NAV"). The deduction of these fees has a direct bearing on the fund's performance. If a mutual fund also has sales charges, a client would pay initial or deferred sales or surrender/redemption charges.

In addition, certain open-end mutual funds offer different share classes of the same fund and one share-class can have an expense ratio and sales/redemption fees that are higher than another share class. The most economical share class will depend on certain factors, including but not limited to the amount of time the shares are held by a client and the amount a client will be investing. Mutual fund expense ratios and sales/redemption fees vary by mutual fund, so it is important to read the mutual fund prospectus to fully understand all the fees charged.

Transaction costs also factor into the overall costs when investing in mutual funds. Such costs can be charged by the broker-dealer for both purchases and redemptions. Some custodians offer certain higher share class mutual funds for purchase at no transaction cost. Therefore, Krane Financial will purchase a more expensive share class whenever the firm determines, based on facts and circumstances that such transaction would be the most economical for a client. Krane Financial will also transfer a client into a lower cost share class at a later date if the firm determines it is beneficial for the client and that lower cost share class is available. In addition, for new clients that hold any mutual funds upon account opening, Krane Financial will usually determine whether such mutual fund remains suitable for the client's current objective and if believed that it is, the firm will check to see if a lower cost share class is available and then transfer the client's mutual fund holding into such share class.

There have been times in the past, and can be in the future, when Krane Financial does not have access to lower costs share classes for the mutual funds the Firm is investing in for clients. This mainly happens when the client's custodian does not offer a lower cost share class, or the

investment amount does not meet the share class minimum investment requirement for the lower share class.

Additionally, clients will incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account, unless otherwise waived by the custodian or executing broker-dealer. Clients should understand that all custodial fees and any other charges, fees and commissions incurred in connection with investments and transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by Krane Financial. We do not share in any of these fees. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of Krane Financial.

The fees charged to a client's account lower the overall performance of the account even though our investment advice is intended to generate greater overall performance net of those fees. Accordingly, clients should review all the fees applicable to their account, together with the fees charged by Krane Financial, to fully understand the total amount of fees paid by the client and to thereby evaluate whether they are reasonable in light of all the services being provided.

Upon termination of an advisory agreement with Krane Financial, all unearned prepaid fees will be refunded to client.

Neither Krane Financial nor its supervised persons accept compensation for the sale of securities or other investment products, including commissions, asset-based sales charges, 12b-1 fees, or service fees from the sale of mutual funds.

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

Krane Financial does not charge performance-based fees.

Item 7: Types of Clients

Krane Financial offers its services to individuals, pension and profit-sharing plans, trust, estates or charitable organizations, corporations, or other business entities.

Krane Financial does not have any minimum asset requirements for opening or maintaining an account with the firm.

When Krane Financial provides investment advice to a client, we are deemed a fiduciary under certain federal regulations, and 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 retirement accounts. The way the firm makes money creates conflicts of interest; however, as a fiduciary, Spectrum and our supervised persons are required to always act in our clients' best interests, which means we must, at a minimum take the following steps:

- Meet a professional standard of loyalty and care when making investment recommendations.

- Always put our clients' interests ahead of our own when making recommendations and providing services.
- Disclose all conflicts of interest and how the Firm addresses such conflicts.
- Adopt and follow policies and procedures designed to help ensure that we give advice and provide services that remain in each client's best interest.
- Charge an advisory fee that is reasonable for our services.
- Not provide, or withhold, any information that could render our advice and/or services misleading.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Krane Financial may be a fiduciary to the plan. In providing our investment advisory services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Advisor will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we receive by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client Agreement and/or in separate ERISA disclosure documents and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by Spectrum; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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

Method of Analysis

The Advisor utilizes fundamental and technical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

As mentioned in Item 4 above, Krane Financial recommends and/or invest clients' assets in a variety of types of investments, depending on client investment objectives and needs, which include but are not limited to, U.S. and foreign equity securities, warrants, corporate debt securities, commercial paper, CDs, municipal securities, mutual funds, exchange traded funds, U.S. Government securities, and options in securities.

The investment strategies the Advisor will implement include long term purchases of securities held at least for one year; short term purchases for securities sold within a year; trading of securities sold within 30 days, short sales, margin transactions and option writing, including covered options, uncovered options or spreading strategies.

Krane Financial manages clients' assets based on their overall investment objectives and guidelines. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs. Please refer to Item 5 above for further information regarding additional fees that are exclusive of the fees charged by Krane Financial

Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Krane Financial's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there can be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. Small-cap stocks are subject to a higher degree of risk than more established companies' securities. The illiquidity of the small-cap market may adversely affect the value of these investments.

Some of the ETFs and mutual funds that Krane Financial invest in or recommend for clients employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Other ETFs and mutual funds employ other alternative techniques which carry inherent higher degrees of risks.

There are times when Krane Financial recommends investments in mutual funds that are

considered “funds of funds” and the investments and/or strategies for the underlying portfolio funds may include, but not limited to foreign securities, commodities, leverage, short sales, uncovered options, futures, and other derivative instruments. Such funds carry high costs, substantial risks, such as the risks inherent in an investment in securities, as well as specific risks associated with each underlying fund’s investment strategy. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Krane Financial also at times invests in or recommends options to clients. Clients should be aware that option positions can be adversely affected by company specific issues (the issuer of the underlying security) which can include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers, and acquisitions. In addition, market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions held by clients, which could result in a loss to the client.

Options involve risk and are not suitable for all clients. To fully understand the risks pertaining to options, clients should read the option disclosure document, “Characteristics and Risks of Standardized Options”, which can be obtained from any exchange on which options are traded, by calling 1-888-OPTIONS, or by contacting your broker/custodian.

Additional risks involved in the securities recommended by Krane Financial include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security can decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer’s goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks may not increase in price, may not

issue the anticipated stock dividends, or can decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also can decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks but can lag behind growth stocks in an up market.

- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company can go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market, and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities can result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities can decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Options risk*, which is the risk that options can be subject to greater fluctuations in value than an investment in the underlying securities. Options and other derivatives may be subject to counterparty risk and can also be illiquid and more difficult to value. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Krane Financial may not produce the desired results and that legislative, regulatory, or tax developments, can affect the investment techniques available to Krane Financial. There is no guarantee that a client's investment objectives will be achieved.

- *Leverage/Margin risk*, which is the risk that the use of borrowed capital, such as margin, to increase the potential return of an investment can increase the risk of an investment and can magnify the effect of any losses. The use of leverage is a speculative technique and may not be suitable for all investors. Using borrowed money (whether through trading on margin or any other method of borrowing) to finance the purchase of securities involves interest charges and entails greater risk than using cash resources only. Below are specific risks that should be considered by investors when deciding to open a margin account:
 - **An investor can lose more assets than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional monies to the account to avoid the forced sale of those securities or other securities in the margin account.
 - **The brokerage firm can force the sale of securities in the account.** If the equity in an investor's margin account falls below the maintenance margin requirements under the law—or the brokerage firm's higher "house" requirements—the brokerage firm can sell the securities in the investor's account to cover the margin deficiency. Investors also are responsible for any short fall in the account after such a sale.
 - **The brokerage firm can sell an investor's securities without contacting the investor.** Some investors mistakenly believe that a brokerage firm must contact them for a margin call to be valid, and that the brokerage firm cannot liquidate securities in their accounts to meet the call unless such firm has contacted them first. This is not the case. As a matter of good customer relations, most brokerage firms will attempt to notify their customers of margin calls, but they are not required to do so.
 - **Investors are not entitled to an extension of time on a margin call.** While an extension of time to meet initial margin requirements may be granted to an investor by the brokerage firm under certain conditions, they are not required to provide any extension. In addition, they also are not required to provide an extension of time to meet a maintenance margin call.

Investors should consult their brokerage firm regarding any concerns they may have with their margin accounts.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Consequently, the value of an account can at any time be worth more or less than the amount invested.

Item 9: Disciplinary Information

Neither Krane Financial nor its management person has had any legal or disciplinary events, currently or in the past.

Item 10: Other Financial Industry Activities and Affirmations

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

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

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

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

Code of Ethics Summary

Krane Financial has adopted a Code of Ethics (“Code”) in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code establishes standards of conduct for Krane Financial’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by Krane Financial or any of its supervised persons. The Code also requires that certain of Krane Financial’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments, including initial public offerings and limited offerings. The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer (“CCO”). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

Krane Financial will provide a copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

It is Krane Financial’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in

which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Neither Krane Financial nor any of its supervised persons act as general partner in a partnership in which clients are solicited to invest or as an investment adviser to a mutual fund or other investment company that is recommended to clients. Based upon a client's stated objectives, Krane Financial has in the past and may in the future, under certain circumstances, recommend the purchase or sale of securities in which the firm or its supervised persons have also invested in personally. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, as part of Krane Financial's fiduciary duty to clients, the firm and its supervised persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to the firm's Code of Ethics. Also, Krane Financial's Code of Ethics contains certain requirements designed to address the conflicts that arise with regard to personal trading by Krane Financial or its supervised persons, including pre-approval of certain securities and reporting of personal transactions.

Krane Financial and its supervised persons have in the past and may in the future also buy or sell specific securities for their own accounts based on personal investment considerations, which Krane Financial does not deem appropriate to buy or sell for clients.

Item 12: Brokerage Practices

The Custodians and Brokers We Use

Krane Financial does not maintain custody of your assets that we manage (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Krane Financial recommends that our clients use Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Krane Financial is independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when Krane Financial instructs them to. While Krane Financial recommends that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, but we do help facilitate the process. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (*see “Products and Services Available to Us from Schwab”*)

Clients have no obligation to open accounts with any custodial broker-dealers that Krane Financial recommends. In limited situations Krane Financial has in the past and may in the future accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In the event that a client directs Krane Financial to use a particular broker or dealer, the client will negotiate terms and arrangements for the account with that broker-dealer, and Krane Financial will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by Krane Financial. Additionally, in directed brokerage situations, Krane Financial will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

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

Krane Financial does not recommend, request, or require that a client direct it to execute transactions through a specified broker-dealer.

Even when a client’s account is maintained at Schwab, Krane Financial can still use other brokers to execute trades for a client’s account, as described in the next paragraph.

Client Custody and Brokerage Costs

For clients’ accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client’s Schwab account. Schwab’s commission rates applicable to clients’ accounts were negotiated based on Krane Financial’s commitment to maintain a minimum amount (\$10 million or more) of our clients’ assets in accounts at Schwab. This commitment benefits the client because the overall commission rates a client pays are lower than they would be if Krane Financial had not made the commitment. In addition to commissions, Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that Krane has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client’s Schwab account. These fees are in addition to the commissions or other compensation a client pays the executing broker-dealer. Because of this, in order to minimize a client’s trading costs, Krane Financial has Schwab execute all trades for your account.

Products and Services Available to Krane Financial from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like Krane Financial. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail clients. Schwab also makes available various support services. Some of those services help Krane Financial manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to Krane Financial as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, then Schwab may charge us quarterly service fees. Here is a more detailed description of Schwab's support services:

Services that Benefit the Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Krane Financial may not otherwise have access or that would require a significantly higher minimum initial investment by Krane Financial's clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Services that May Not Directly Benefit the Client

Schwab also makes available to Krane Financial other products and services that benefit Krane Financial but may not directly benefit our clients. These products and services assist Krane Financial in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. Krane Financial may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of the Advisor's fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Krane Financial

Schwab also offers other services intended to help the Advisor manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

In some cases, Schwab provides these services itself. In other cases, it will arrange for third-party

vendors to provide the services to Krane Financial. There also are times when Schwab will discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide Krane Financial with other benefits such as occasional business entertainment of our personnel, although to date no such benefit has been provided.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits Krane Financial because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon Krane Financial committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum gives us an incentive to recommend that clients maintain their accounts with Schwab based on Krane Financial's interest in receiving Schwab's services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. Krane Financial believes, however, that our selection of Schwab as a broker/custodian is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see *"How We Select Brokers/Custodians"*) and not Schwab's services that benefit only the Advisor. We do not believe that maintaining at least \$10 million of our clients' assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Best Execution

It is the policy and practice of Krane Financial to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, Krane Financial will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. Although Krane Financial will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and Krane Financial does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Krane Financial will seek competitive rates, it does not necessarily obtain the lowest possible commission rates for client transactions. Krane Financial is not required to negotiate "execution only" commission rates, thus the client can be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission/transaction fee rate.

To ensure that brokerage firms recommended by Krane Financial are conducting overall best qualitative execution, Krane Financial will periodically (and no less often than annually) evaluate the trading process and brokers utilized. Krane Financial's evaluation will consider the full range of brokerage services offered by the brokers, which includes, but is not limited to price, commission, timing, research, ability to aggregate trades, capable floor brokers or traders, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, administrative ability, custody, and any services provided to client and/or Krane Financial.

Soft Dollar Considerations

Section 28(e) of the Exchange Act (“Section 28(e)”) generally allows investment advisers to use client commissions to pay for certain brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. Therefore, we do in circumstances in which we feel that execution is comparable, place certain trades with a third-party broker that is providing brokerage and research services to us (“Research Broker”).

Brokerage and research services provided by Research Brokers include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analyses; risk measurement analysis and performance analysis.

Such research services can be received in the form of written reports, telephone conversations, and personal meetings with security analysts and/or individual company management and attending conferences. The research services provided by a Research Broker may be proprietary (i.e., research created by the broker) and/or provided by a third party (i.e. originates from a party independent from the broker providing the execution services, which is commonly referred to as a third-party soft dollar arrangement).

In selecting a Research Broker, we will make a good faith determination that the amount of the commission charged is reasonable in relation to the value of the brokerage and research services received, viewed in terms of either the specific transactions or our overall responsibility to the accounts for which we exercise investment discretion.

In accordance with Section 28(e), Krane Financial may cause a client to pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research services provided by such broker.

Research services provided by Research Brokers can be used by us in servicing any or all of our clients and can be used in connection with clients other than those making the payment of commissions to a Research Broker, as permitted by Section 28(e). In other words, there could be certain client accounts that benefit from the research services, which did not make the payment of commissions to the Research Broker providing the services.

The receipt of brokerage and research services from any broker executing transactions for our clients will not result in a reduction of our customary and normal research activities, and the value of such information is, in our view, indeterminable. Nevertheless, the receipt of such research may be deemed to be the receipt of an economic benefit by us, and although customary, may be deemed to create a conflict of interest between Krane Financial and our clients. Therefore, we feel it is important for clients to be aware of the issues surrounding soft dollars.

To address the conflicts inherent in soft dollar arrangements, Krane Financial monitors and reviews transaction results to evaluate the quality of execution provided in order to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the

compensation paid to the executing broker-dealer(s) in light of all the factors described above and that our clients are receiving the best overall deal considering the prevailing facts and circumstances.

Currently, Krane Financial does not have any third-party soft dollar arrangements in place.

Item 13: Review of Accounts

Accounts are monitored on an ongoing basis. Mr. Justin Krane, President of Krane Financial will review all client accounts. The triggering factors for a review of a client account are that Krane Financial becomes aware of a change in client's investment objective, a change in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation, upon client request and any other activity that is discovered as the account is reviewed.

The client will receive written statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts. Krane Financial does not routinely send account statements or performance reports but will upon client request.

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

Item 14: Client Referrals and Other Compensation

Krane Financial receives an economic benefit from Schwab in the form of the support products and services it makes available to the Advisor and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to Krane Financial of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Krane Financial does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15: Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, Krane Financial is deemed to have "constructive custody" of client funds because the Firm has the authority and ability to debit its fees directly from the accounts of those clients receiving investment advisory services.

Additionally, certain clients have, and may in the future, sign a Standing Letter of Authorization (SLOA) that gives the Firm the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give Krane Financial constructive custody. Custody is defined under Rule 206(4)-2 as any legal or actual ability by an adviser to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;

2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempt Krane Financial from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are as follows:

1. When debiting fees from client accounts, Krane Financial must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
2. In the case of SLOAs, Krane Financial must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Firm, and (ii) ensure that certain requirements are being performed by the qualified custodian.

If client funds or securities are inadvertently received by our Firm, they will be returned to the sender immediately, or as soon as practical. Physical custody of account assets will be maintained with an independent qualified custodian.

As mentioned above, Krane Financial generally recommends Schwab to serve as custodian. Therefore, clients should thoroughly consider the differences between having their assets held at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by Krane Financial. Krane Financial's statements and reports provided to clients vary from custodial statements based on a number of factors that can include (depending on the type of report) accounting procedures, reporting dates, or valuation methodologies of certain securities. Please refer to Item 12 for additional important disclosure information relating to Krane Financial's practices and relationships with custodians.

Item 16: Investment Discretion

Clients have the choice to have their assets managed on a discretionary or non-discretionary basis.

When providing discretionary management services, Krane Financial has the authority to: (i) select the securities and the amount of such securities to be bought or sold, and (ii) determine the timing for buying and selling the securities in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Krane Financial.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement, or written addendum thereto, containing all applicable limitations to such authority. All discretionary trades made by Krane Financial will be in accordance with each client's investment objectives and goals.

Item 17: Voting Client Securities

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

Item 18: Financial Information

Krane Financial does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services.

Krane Financial is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Krane Financial does become aware of any such financial condition, this brochure will be updated, and clients will be notified. Krane Financial has never been subject to a bankruptcy petition.