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Form ADV Part 2A

March 27, 2024

DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Momentum Advisors, LLC. If you have any questions about the contents of this Brochure or to request a copy of this Brochure, please contact us at 917-997-4297 or [will@momentum-advisors.com](mailto:will@momentum-advisors.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.

Additional information about Momentum Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 314197.

References herein to Momentum Advisors, LLC ("Momentum") as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## MATERIAL CHANGES

## ITEM 2

The following items identify and discuss those material changes that have occurred since the last update of Momentum's Brochure, which was dated August 14, 2023.

- **Resignation:** Ms. Tiffany Hawkins, Chief Operating Officer of Momentum, resigned as of March 15, 2024.
- **Resignation:** As of December 1, 2023, Mr. William Platt ceased serving as a registered representative of Purshe Kaplan Sterling Investments ("PKS Investments"), a registered broker-dealer, and is no longer affiliated with PKS Investments.
- **Managing Partner and Chief Compliance Officer:** On March 27, 2024, Mr. Platt began serving as the Managing Partner and Chief Compliance Officer of Momentum Advisors.

Material Changes (since last amendment on 7/08/2023):

- **Private Investment Fund Affiliation.** If a client determines to become an affiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of MA calculating its investment advisory fee per Item 5 below. MA's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

With respect to the Franklin Morgan Fund 1 LLC, Momentum receives a management fee ("Management Fee") calculated and accrued monthly and payable in arrears quarterly, to be calculated based on an annual rate of 1% for Momentum Advisors' clients and 2% for non-Momentum Advisors' clients. The Management Fee shall be payable within ten (10) days after the end of each quarter. A pro rata Management Fee is charged to Limited Partners on any amounts invested or withdrawn during any quarter-annual Fiscal Period.

The Managing Members may waive, reduce, increase, or rebate the Management Fee attributable to any Private Fund Investors, including, without limitation, any employee, agent or affiliate of the Managing Members. Private Fund investors' management fees may be waived, reduced, or increased based upon the size of the relationship.

Please note that this presents a conflict of interest for Momentum's clients who are also fund participants maintaining fund shares in their managed accounts. As noted at Item 4 (below), such clients will incur two separate fees (a managed advisory fee and a fund level participant fee) in relationship to their Fund investments.

- **Custody.** In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Momentum to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No- Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

In addition, Momentum and/or certain of its members engage in other services and/or practices (i.e., bill paying, password possession, trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in Momentum having custody under Rule

206(4)-2 of the Advisers Act. Per the Rule, having such custody requires Momentum to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as Momentum provides such services and/or engages in such practices.

Momentum has custody of Investment partnership cash and securities due to the role of certain owners and staff members of Momentum as Managing Member for the Morgan Fund 1 LLC.

To meet Momentum's obligations under custody rules, the Fund is subject to an annual audit as previously described and all Members (investors) are sent: (i) annual audited financial statements, (ii) a monthly statement prepared by the Fund administrator, NAV Consulting, and (iv) copies of such Member's Schedule K-1 to the Franklin Morgan Fund's tax returns.

- Our current Form ADV Part 2A ("Firm Brochure") is available (free) to our existing and prospective clients any time of day through the Investment Adviser Public Disclosure website: <https://adviserinfo.sec.gov/IAPD/default.aspx>. We will annually and within 120 days of the end of our fiscal year, provide you with a copy of our Firm Brochure that includes a summary of material changes. We urge you to carefully review all subsequent summaries of material changes, as they may contain important information about any material changes to our firm, including but not limited to advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.
- To obtain our Firm Brochure and Brochure Supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website at <http://www.momentum-advisors.com>, e-mail us at [allan@momentum-advisors.com](mailto:allan@momentum-advisors.com), or telephone us at 917-997-4297 or mail your request to the address below.

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***Please Retain a Copy of this Brochure for Your Records***

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**Firm Description:** Momentum Advisors, LLC ("Momentum" or "Firm") is a limited liability company that was organized on February 7, 2012, in the State of New York. Momentum is wholly-owned by Momentum Group, Inc. ("Momentum Group"), a New York corporation. Momentum Group is controlled by Allan Boomer, Kyle Pitts, Tiffany Hawkins, and William Platt, its principal shareholders. William Platt serves as the Managing Member and Chief Compliance Officer of Momentum. Momentum began offering advisory services on February 7, 2012.

**Advisory Services:** The Firm offers individual wealth management, financial planning, investment management, portfolio management, consulting, and periodic newsletters and educational seminars.

**Tailored Relationships:** Momentum provides investment advisory services specific to the individual needs of a client. The Firm works with each client to define an individualized risk profile and then constructs a unique portfolio based on an individual or organization's ability and willingness to take risk. At least annually, the client's investment objectives, restrictions, risk tolerance and time horizon are discussed and reviewed to make sure the investment strategy is aligned with the client's objectives. Clients may impose restrictions in investing in certain securities or types of securities, in accordance with their values and beliefs. However, if any of the restrictions prevent the Firm from properly servicing the account, Momentum reserves the right to terminate the relationship.

**Portfolio Management:** The Firm offers portfolio management services to its advisory clients and also offers its portfolio management services with the use of third-party investment advisers ("Subadvisers") to its Clients. Momentum's representatives consult with Clients to assess their financial situation and identify their investment objectives to implement investment solutions designed to meet the Client's financial needs.

Momentum has entered into agreements with certain Subadvisers to access certain investment services for Momentum's Clients. These services permits Momentum to devise desired investment management strategies where Momentum is responsible for (1) determining the initial and ongoing suitability of the strategy for the investor; (2) devising or determining the specific initial and ongoing desired strategy; (3) monitoring performance of the strategy; and (4) modifying and/or terminating the management of the investor's account using the strategies.

The fees applicable to the Subadvisers' services include financial advisory and subadvisory fees. The advisory fee is based on the total asset under management for each particular strategy utilized by the Client. Other fees for special services are also charged. The Client should consider all applicable fees before making a decision to establish an account.

**Wealth Management and Financial Planning Services:** Momentum offers financial planning services at the inception of the client-adviser relationship, which provide a comprehensive evaluation of a client's overall financial situation. This assessment is then utilized to develop an implementation plan to help the client reach their stated financial goals. At the client's direction, Momentum may coordinate with the client's accountant, estate lawyer, insurance agent or other financial planner. Momentum receives no additional compensation for the financial planning services and from the client's other advisors.

Preliminary Meeting: The process starts with a preliminary meeting to explore the benefits and costs of preparing a financial plan (a fact-finding meeting), which is offered at no cost or obligation.

**Plan Development, Analysis, Design, Finalization, and Implemented:** Information provided by the client is reviewed and analyzed. The financial plan is designed based on the client's objectives, interests, and family situation, and incorporates Momentum's evaluation, including investments, taxes, insurance and risk management, estate planning, college planning, retirement, survivor needs, and senior care, among other factors. The recommended actions are presented to the client, and Momentum coordinates the implementation of the financial plan, monitors the progress made on the recommended actions, and updates the plan accordingly and as necessary

**Consulting Services:** For those situations in which the preparation of a financial plan is unavailable, the Firm provides financial consulting on a fixed rate basis. Such consultation may include advice on only an isolated area(s) of concern such as business continuity and planning, estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client. Consulting recommendations include any specific product or services offered by an asset manager, broker-dealer, bank, or insurance company.

**Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

**Insurance Products:** Although the Financial Advisors do not offer insurance products through Momentum, certain Financial Advisors serve as insurance producers with affiliated licensed insurance agency, Momentum Risk Management and Momentum Life Brokerage (collectively, "Momentum Life"). Mr. William Platt, Mr. Kyle Pitts, Jason Mahabirsingh, and Andrea Gray are licensed to sell life insurance products in several states, including New York and New Jersey. A conflict of interest exists when a recommendation is made by an affiliated person of Momentum that a client purchase an insurance product from Mr. William Platt, Mr. Kyle Pitts, Mr. Jason Mahabirsingh, or Mrs. Andrea Gray in each person's individual capacity as an insurance agent, as the receipt of commissions may provide an incentive to recommend investment and/or insurance products based on commissions to be received, rather than on a particular client's need. Clients are not obligated to purchase any insurance commission products from a Momentum representative. Clients are reminded that they may purchase insurance products recommended by Momentum through other, non-affiliated insurance agents and agencies.

**Client Assets:** As of December 31, 2023, the Firm managed \$353,137,993.91 of regulatory assets under management. About \$351,020,968.56 is managed on a discretionary basis and \$2,117,025.35 is managed on a non-discretionary basis.

## FEES & COMPENSATION

## ITEM 5

**Financial Planning:** Momentum does not charge a separate fee for Financial Planning, which is provided in connection with an assessment of the client's financial goals. Nonetheless, all fees are agreed upon prior to the establishment of an investment advisory contract with the client.

There is no minimum fee for Financial Planning clients.

**Consulting Services:** For non-discretionary assets under management and for those clients who wish to retain the Firm's services to address specific financial services matters, a fixed monthly fee, typically \$1500 per month is charged. However, this fixed monthly fee could be higher or lower depending on the complexity of the engagement. Payment for fixed consulting services is due as billed. Billing will be sent to the client at the end of the calendar month during the term of the agreement for any services performed during that period.

**Investment Management Services:** The annual fee for discretionary investment management services is charged as a percentage of assets under management, according to the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
0-\$1 million	1% (minimum annual fee is \$3,000)
\$1 -\$2 million	0.90%
\$2 million-\$5 million	0.70%
\$5 million-\$10 million	0.60%
\$25 million+	0.50%

For example, if a client's account is valued at \$6,000,000, the annual fee would be calculated as follows:  
 $(\$6,000,000 \times .60\%) = \$36,000$ .

A minimum of \$250,000 of assets under management is required for the Investment Management service. This minimum account size may be negotiable under certain circumstances.

Clients are generally billed on either a quarterly or monthly basis, in arrears. Fees will be billed at the end of each calendar month or quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the month or quarter. Any clients billed in advance will be notified in writing on their client agreement.

Momentum may, in its sole discretion, waive or reduce fees charged to a client, or negotiate a fee to reflect the special circumstances of a client and the assets under management with the result that the client may pay a higher or lower fee than other clients receiving similar services. We may also group certain related client accounts for the purposes of determining the annualized fee. Further, discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our Firm. The Firm agrees to provide clients with advance written notice of any changes to its standard fee schedule that would result in a higher fee for clients than does the current fee schedule. Because of the way the Firm provides discretionary advisory services, the Firm is deemed to have limited custody of client assets.

**Courtesy Accounts:** Some clients come to Momentum with various legacy holdings or assets. Upon request, we will assist a client with establishing separate custodial accounts to hold these assets as a courtesy, however, we may elect to or will not manage these assets. These assets will, therefore, not be subject to our advisory fee schedule as disclosed above in this Item 5.

**Third-Party Managers (Subadvisers) Fees:** Fees and compensation for using the Subadvisers are provided in more detail in the respective Subadvisers' disclosure documents. The fees applicable to each Subadviser's client account include Momentum's advisory fee and the Subadviser's fee.

The client authorizes the Firm to debit its advisory fee from the client's account(s) on a monthly or quarterly basis, in arrears, at the end of each month or calendar quarter. Momentum's advisory fee is based on the net value of the assets in the account on the last business day of the prior month or quarter. The Firm advisory fee charged to the account is in accordance with the schedule described above unless Momentum, in its sole discretion, decides to charge less or more than the stated fee rates in the Fee Schedule.

Momentum calculates the advisory fee and provides the custodian with the applicable advisory fee (%) based on the amount of the client's assets under management.

Other fees for special services requested by the client may also be assessed. The client should consider all applicable fees before investing with the Firm. Clients may terminate the Subadvisers' Platform accounts at any time and receive a full pro-rata refund of any unearned fees.

**Newsletters and Educational Seminars:** Momentum offers the distribution of periodic newsletters and participation in periodic educational seminars. Momentum does not charge a fee for the newsletters or the educational seminars. The newsletters and educational seminars are general in nature, without providing any specific investment advice.

**Fee Billing:** Clients may elect to have the quarterly investment management fee debited directly by the custodian of the account and paid directly to the Firm. In such cases, the Custodian will send an account statement to each client showing the amount of the fee. Additionally, the account statement will disclose that it is the client's responsibility, not the custodian's responsibility, to verify the accuracy of the fee. Account statements are issued by the custodians at least quarterly indicating all amounts disbursed from your account, including advisory fees paid directly to the Firm. If a client elects to be billed directly by the Firm, the investment management fee is due upon receipt of an invoice from the Firm and payable by check.

For managed accounts, investment advisory fees are payable monthly or quarterly in arrears and based on the market value of the account assets as determined on the last day of the preceding month or quarter. Fees for an initial partial quarter are prorated. Momentum receives a management fee ("Management Fee") calculated and accrued monthly and payable in arrears monthly or quarterly, to be calculated based on an Annual rate that is agreed upon in the client's advisory agreement. The Management Fee shall be payable within ten (10) days after the end of each month or quarter. A pro rata Management Fee is charged to Private Fund investors on any amounts invested or withdrawn during any quarter-annual Fiscal Period.

The Firm may waive, reduce, increase, or rebate the Management Fee attributable to any private Fund investors, including, without limitation, any employee, agent or affiliate of the Firm. Private Fund investors management fees may be waived, increased, or reduced based upon the size of the relationship.

**Termination, Refunds, and Assignment:** A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement, or at any time. Neither Momentum 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 Momentum shall not be considered an assignment.

**Other Fees and Expenses:** All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or exchange traded fund directly, without the services of our Firm. In that case, the client would not receive the services provided by the Firm, which are designed, among other things, to assist the client in determining which funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and



fees charged by our Firm to fully understand the total amount of fees to be paid by the client. In addition to the Firm's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers.

Clients may incur fees imposed by custodians, broker-dealers, and other third-parties in connection with receiving investment management services from Momentum. Such fees generally include custodial fees, brokerage transaction fees, and fund expenses. The client is responsible for all third party fees. These fees are separate and distinct from the investment management fee charged by Momentum. See Item 12 (Brokerage Practices) for more details.

Momentum also provides investment advice regarding private investment funds. Momentum, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds. Momentum's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Momentum calculating its investment advisory fee. Momentum's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

Momentum is affiliated with Franklin Morgan Fund 1, LLC, a private investment fund (the "Fund"), the complete description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the Fund's offering documents. The members of the Fund's Manager, Franklin Morgan Partners LLC, are officers of Momentum. Momentum, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. If a client determines to become an affiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Momentum calculating its investment advisory fee. Momentum's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that the client is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Because Momentum and/or its affiliates can earn compensation from the Fund that will generally exceed the fee that MA would earn under its standard asset-based fee, the recommendation that a client become a Fund investor presents a conflict of interest. No client is under any obligation to become a Fund investor. Given the conflict of interest, Momentum advises that clients consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming a Fund investor. Clients are under absolutely no obligation to become a Fund investor.

**Prepaid Fees (Limited):** Under no circumstances, under a fixed fee arrangement, do we require or solicit payment of fees in excess of fifty percent (50%) of the total fee more than six months in advance of services rendered. The Firm does not accept prepaid fees for advisory services.

**Compensation for the Sale of Securities:** Neither Momentum nor any of its supervised persons receive compensation for the sale of any securities.

**Additional Compensation:** Momentum does not receive additional compensation.

**Insurance Products Incentives:** Mr. Platt and others are supervised persons of Momentum and are licensed insurance agents who offer insurance products, including insurance and annuities through Momentum Life, our affiliated licensed insurance agency. The producers have an incentive to recommend insurance products to clients of Momentum because the producers receive compensation from the sale of insurance products. Momentum addresses this conflict by disclosing it to its clients, and by informing its clients that they have the option to purchase insurance products through agents or brokers other than Momentum's supervised persons, which may be less expensive or more expensive.

## PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

### ITEM 6

Momentum is entitled to performance-based compensation (i.e., an incentive allocation or performance-based fee) from the Private Fund under the Firm's management. All performance-based compensation arrangements are structured in compliance with the applicable requirements under state and federal rules and regulations, including the requirement under SEC Rule 205-3 to only enter into such arrangements with "qualified clients." The terms of performance-based compensation are provided in the fund offering documents.

When entering into a performance-based compensation arrangement, investors should understand the following:

- Performance-based compensation may create an incentive for the Firm to make investments that involve more risk and are more speculative than would be the case in the absence of performance-based compensation.
- Performance-based compensation may create an incentive for the Firm to overvalue investments which lack a market quotation.
- Because the Firm will serve as the investment adviser to client accounts with different fee structures, the potential for conflicts of interest may arise. Such conflicts of interest include the incentive for the Firm and its supervised persons to favor the accounts for which Momentum receives performance-based compensation.
- When relevant, Momentum will receive increased compensation with regard to net unrealized appreciation as well as net realized gains in a client's account.

To mitigate potential conflicts of interest, the Firm has created policies and procedures designed to promote ethical conduct by addressing the requirement to fairly value securities that do not have a readily ascertainable value. In addition, the Firm's management team reviews accounts on an ongoing basis to ensure that investments are suitable and that the account is being managed appropriately in light of the relevant investment objectives and risk tolerance.

The Firm does not engage in side-by-side management.

## TYPE OF CLIENTS

## ITEM 7

The vast majority of Momentum's clients are individuals, families, trusts, estates, charitable institutions, foundations, pension and profit-sharing plans, endowments, small businesses, and similar entities which desire a high degree of personalized and professional service. While this amount is negotiable, the minimum asset requirement to become a Momentum client is \$250,000. Further, Momentum, in its sole discretion, may charge a lesser investment advisory fee, charge a flat fee, or waive its fee entirely based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, grandfathered fee schedules, Momentum's employees and family members, courtesy accounts, large cash positions not currently intended for investment, competition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

The Firm provides discretionary investment advisory services to a private pooled investment fund. The private fund investments are subject to a minimum of \$25,000. Momentum, in its sole discretion, retains the right to waive the minimum based on certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets being managed, related accounts, account composition, scope of services, negotiations with the investor, etc.).

Because a Momentum affiliated entity will earn performance-based compensation, investors are required to complete a suitability questionnaire to determine whether the investor may be permitted to invest in the private fund.

No performance-based fees will be assessed until the Fund portfolio, on a cumulative basis from account inception, is in a net gain position.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

## ITEM 8

### Methods of Analysis and Investment Strategies

**Methods of Analysis:** In its investment recommendations to clients, Momentum may select from mutual funds, ETFs, and other investment solutions offered by third-party managers or Subadvisers (collectively "TPM"). These solutions are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists.

For clients who utilize TPMs, Momentum introduces clients to, and advises clients on the selection of, independent investment managers who provide discretionary management services, including a wide variety of security types. Clients will normally receive a prospectus and/or a separate disclosure from such TPMs regarding any such investment manager's advisory services, including whether such managers are registered or notice filed in the clients state of residency. Please verify whether clients received such disclosures.

## **Investment Strategies:**

**Mutual Fund and/or ETF Analysis:** In formulating our investment advice and/or managing client assets, we look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to invest over time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.***

**Material Risks of Investment Strategies:** Momentum's methods do not involve significant or unusual risks. Notwithstanding our methods, certain illiquid investments carry inherent significant risks. Each method entails risk. For example, the risk assumed with using fundamental analysis is that prices may rapidly change with new market information. If the market information is outdated or incorrect, the value of the analysis is limited, and it may, in fact, produce unfavorable results. The risk of cyclical analysis involves predicting economic trends, which may be difficult or overly inductive. Consequently, the changing value of securities would be affected by these changing trends. A fundamental risk in analysis is that the future patterns resemble historical patterns. Finally, there may be an operational risk of programming errors in the strategists' models.

Momentum mostly seeks investment strategies that do not involve significant or unusual risk beyond that of the general markets. These risks include general market and credit risk.

**Material Risks of Investing:** Investing involves the risk of loss. Investments may decline in value and could even become worthless. An investment in securities is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investing in securities involves the potential loss of principal that investors must be prepared to bear.

Our clients are subject to the risk that our judgments about the attractiveness, value, or potential appreciation of their investments may prove to be incorrect. Investors should understand that they rely upon our abilities and judgment. There is no guarantee that our investment techniques will be successful. We may be wrong in our assessment of the value of a security. At the same time, we may be wrong in our assessment about specific securities that are held in a client's account, which may not appreciate as anticipated. If the selection of securities or investment strategies fails to produce the intended results, the client's account may underperform other accounts with similar objectives and investment strategies. We ask that you work with us to help us understand your tolerance for risk. The value of your investment may be affected by one or more of the following risks, any of which could cause your investment return or yield to fluctuate:

- **Market Risk:** The value of an investment may decline based on market conditions, regardless of the issuer's operational success or its financial condition. As such, the value of your investments may fluctuate as the securities market fluctuates.
- **Management Risk:** There is no guarantee that our investment process, techniques, and analyses will produce the intended results of any investment strategy.
- **Style Risk:** The value of your investment may fluctuate based on the investment style employed in the management of the portfolio. The risk of value investing includes that the price of a security may not approach its anticipated value or may decline in value. The risk of growth investing includes that the anticipated underlying earnings or operational growth may not occur, or the market price of the security may decline in value.
- **Defensive Risk:** To the extent a strategy attempts to hedge its portfolio or takes defensive measures, such as holding a significant portion of its assets in cash or cash equivalents, the strategy may underperform in a rising market environment or the defensive measures may not work as intended.
- **Small and Medium Size Company Risk:** Investments in small and medium size companies generally involve greater risk than investments made in larger companies, as the markets for such securities may be more volatile and less liquid. Small and medium size companies may face a greater risk of business failure, which could increase investment volatility.
- **Turnover Risk:** A high portfolio turnover can result in increased transaction costs, such as greater brokerage commission expenses, as well as the distribution of additional capital gains for tax purposes, which may adversely affect portfolio performance. Certain strategies may have a higher turnover rate than others, based on the management style and strategy objective.
- **Availability of Information:** Certain issuers, including municipalities, private companies, and foreign issuers may not be subject to the same disclosure, accounting, auditing, and financial reporting standards and practices as publicly-listed companies in U.S. stock markets. As such, there may be less information publicly available about these issuers and their current financial condition.
- **Limited Markets:** Certain securities may be less liquid (harder to sell) and their prices may experience periods of excessive price volatility or illiquidity. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.
- **Concentration Risk:** To the extent that a strategy focuses on particular asset classes, countries, regions, industries, sectors, or types of investments from time to time, the strategy may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly invested across a wider variety of investments.
- **Interest Rate Risk:** Changes in interest rates may affect the value of a portfolio's investments. For example, when interest rates rise, the value of investments in fixed income securities tends to fall below par value or the principal investment and when interest rates fall, the value of the investments in fixed income securities tends to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.
- **Credit Risk:** An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value.
- **Prepayment or Call Risk:** Many fixed income securities contain a provision that allows the issuer to "call", or redeem, all or part of the issue prior to the maturity date of the security. There is no guarantee that investors will be able to reinvest the proceeds in a security of equivalent quality or yield characteristics.
- **Trading Practices:** Brokerage commissions and other fees may be higher in certain markets or for foreign securities due to lack of established government supervision and regulation of foreign securities markets, currency markets, trading systems, and brokerage practices. Procedures and rules governing foreign transactions and custody also may involve delays in payment, delivery, or recovery of money or investments.
- **Legal or Legislative Risk:** Court rulings and legislative or regulatory changes and/or developments may impact the value of an investment, or the security's claim on the issuer's assets and finances.

- **Inflation Risk:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Regulatory Approvals:** Government entities may exercise their discretion to change or increase regulation of investments, or to implement laws, regulations or policies affecting investments in a manner that causes delays or adversely affects the operation of the investment and/or the applicable client's ability to effectively achieve its investment objectives. An investment also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such investment. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by an investment or gains recognized by a client on its investment that could impact a client's return on investment. There can be no assurance that an investment will be able to: (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals.
- **Cyber Security Breaches, Identity Theft, Privacy Breaches, and Other Threats:** Momentum's clients' and its investments' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, security threats (including ongoing cyber security threats to and attacks on our information technology infrastructure), infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Momentum's, its client's and/or investments and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure or unauthorized disclosure of data could harm Momentum's, client's or investments' reputation, subject any such entity and their respective affiliates to legal claims, increased costs, financial losses, data privacy breaches, regulatory intervention, and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.
- **Fund Liquidity Constraints.** Momentum may utilize mutual funds that provide for limited liquidity, generally on a quarterly basis. Thus, if we determined that the fund was no longer performing or if you ever determined to transfer your account, the Fund could not be sold or transferred immediately. Rather, sale or transfer would need to await the quarterly permitted sale date, or longer. Moreover, the eventual net asset value for the Fund could be substantially different (positive or negative) than the Fund value on the date that the sale was requested. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Momentum, in writing, not to employ any or all such strategies for the client's account.

## DISCIPLINARY INFORMATION

## ITEM 9

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are no legal, disciplinary, criminal, civil, self-regulatory organization (SRO) proceedings, or administrative proceedings associated with Momentum. Thus, there are no legal and disciplinary events that are material to a client's or prospective client's evaluation of Momentum or the integrity of our management.



## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

## ITEM 10

**Registration as a Broker-Dealer or Registered Representative:** Neither Momentum, 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.

**Registration as a FCM, CPO, or CTA:** Neither Momentum, nor any of its management persons, are registered or have an application pending to register, as a futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or a representative of the foregoing.

**Material Relationships or Arrangements with Financial Industry:** Neither Momentum, nor any of its management persons, have a relationship or arrangement that is material to our advisory business or to our clients with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company (including a mutual fund, closed-end fund investment company, unit investment trust), other investment advisor, financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer.

**Insurance Activities:** Mr. William Platt, Mr. Kyle Pitts, Jason Mahabirsingh, and Andrea Gray are supervised persons of Momentum and are licensed insurance agents who offer insurance products and annuities through Momentum Life Brokerage, a company that is affiliated with Momentum as both companies are under the common control with Mr. Platt and Mr. Pitts. Because Mr. Platt and Mr. Pitts are principals of Momentum and Momentum Life, they have an incentive to recommend investment products to clients of Momentum as they will receive compensation from Momentum Life from the sale of insurance products. Momentum addresses this conflict by disclosing it to its clients, and informing the clients that they have the option to purchase insurance products through agents or brokers other than Momentum's supervised persons.

**Private Investment Fund Affiliation:** The Firm is affiliated with a limited liability company, and expects to serve others, that serve as managing member to a private pooled investment vehicle exempt from registration as an investment company under the Investment Company Act of 1940. The Firm serves as the investment manager to the private pooled investment vehicle. By virtue of the relationship with this entity, the Firm is deemed to have custody of the private Fund's assets. See Item 15 for the safeguards the Firm has in place to protect the private Fund's assets. The complete description of the terms, conditions, risks, conflicts of interest, and fees, including incentive compensation is set forth in the Fund's offering documents. The members of the Fund's Manager, Franklin Morgan Partners LLC, are officers and principals of Momentum. As principals of the affiliated entity, they will share in the investment management fees received by the Firm and the performance-based compensation received by the private Fund's managing members. Before a prospective investor accepts their recommendation to invest in the private Fund managed by the Firm, the investor is free to consider other investment opportunities offered by other investment management firms. Momentum may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. If a client determines to become an affiliated private Fund investor, the amount of assets invested in the Fund will be included as part of "assets under management" for purposes of Momentum calculating its investment advisory fee.

**Additional Conflicts of Interest:** There will be occasions when Mr. Platt, Mr. Pitts, Mr. Boomer, and other supervised persons of the firm, where Momentum and its affiliate may encounter potential conflicts of interest in connection with rendering advisory services. There can be no assurance that Momentum will identify or resolve any conflict of interest in a manner that is favorable to a particular client. In addition to the conflicts of interest discussed elsewhere in this Brochure, the following discussion enumerates certain potential conflicts of interest:

**Other Activities of Management:** Momentum personnel will devote such time as shall be reasonably necessary to conduct the business affairs of each client in an appropriate manner. Momentum personnel will work on the business and operation of its other projects, including Momentum's affiliates' existing corporate and other clients, and, therefore, conflicts may arise in the allocation of resources, including due to Momentum's internal policies and compliance with applicable law and regulation. Such other matters may also include possibly serving on the board of directors of companies with no offset against advisory fees.

**Allocation of Investment Opportunities with Other Advisory Clients and Conflicting Fiduciary Duties:** Momentum is, from time to time, presented with investment opportunities that fall within the investment objectives of multiple clients, and in such circumstances, except as otherwise provided in the governing documents of the applicable client (or investment management agreement), Momentum will allocate such opportunities among the clients (including, without limitation, an allocation of 100% of such an opportunity to a single client) on a basis that Momentum reasonably determines in good faith to be fair and reasonable taking into account all factors Momentum deems relevant, including the requirements of the governing documents of the applicable clients (or investment management agreement), the sourcing of the transaction, the nature of the investment objective, mandate or policies, target return profile or projected hold period of each client, and other considerations deemed relevant by Momentum in good faith.

**Non-Investment Related Activities:** Mr. Boomer, Mr. Platt, and Mr. Pitts each serve in leadership positions, including as trustees/ board members of various charitable and community organizations, and their respective Churches.

**Compensation from Third-Party Advisers:** Although Momentum recommends the selection of other investment managers for its clients, Momentum does not receive compensation for such services, as disclosed in Item 5.

## CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS

### ITEM 11

#### Code of Ethics

Momentum has adopted a Code of Ethics ("COE") that governs all employees and other supervised persons of Momentum. The COE is based upon the principle that directors, officers and employees of the Firm have a fiduciary duty to place the interest of clients above their own. The COE addresses compliance with federal securities laws and personal trading and reporting. The Firm will provide a copy of the COE to any client or prospective client upon request. Our COE sets forth high ethical standards of business conduct. We owe a duty of loyalty, fairness, and good faith to our clients, and, as such, we have an obligation to adhere not only to the specific provisions of the COE, but to the general principles that



guide it. A client may request a copy of the Code of Ethics by email at [will@momentum-advisors.com](mailto:will@momentum-advisors.com), or by telephone at 917-997-4297.

Momentum's Code of Ethics includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

**Recommend Securities with Material Financial Interest:** Momentum and its related persons recommends, buys, or sells for client accounts, securities in which Momentum or any related person of Momentum may have a material financial interest. This practice creates a potential conflict of interest as the Firm and its related person may benefit from the sale and purchase of those securities. Momentum addresses these conflicts of interest by having adequate policies and procedures in place that prohibit the Firm and its related persons from trading ahead of clients or in such a way to obtain a better price for themselves than for clients. Momentum's personal trading policy is described below.

**Invest in Same Securities Recommended to Clients:** The Firm and its related persons may buy or sell securities for themselves that they also recommend to clients. This practice creates a potential conflict of interest as the Firm and its related person may benefit from the sale and purchase of those securities. Momentum addresses these conflicts of interest by having adequate policies and procedures in place that prohibit the Firm and its related persons from trading ahead of clients or in such a way to obtain a better price for themselves than for clients. Momentum's personal trading policy is described below.

**Personal Trading Policy:** The Firm has a personal trading policy in place to monitor the personal securities transactions and securities holdings of the Firm and its related persons. The Firm's personal trading policy does not require pre-clearance of securities transactions with the Chief Compliance Officer. Generally, personal securities transactions should not be executed when an order for the same or a related security is pending for client accounts. Additionally, employees of Momentum must provide the Chief Compliance Officer with copies of their brokerage account statements or a written report of their current securities holdings. The intent of the preceding procedures is to detect prohibited activities and ensure that the best interests of clients are always served over that of the Firm and its related persons.

**Buy/Sell Securities at Same Time as Clients:** The Firm and its related persons may buy or sell securities at, or around the same time those securities are recommended to clients. This practice creates a potential conflict of interest as the Firm and its related persons may benefit from the sale and purchase of those securities. As indicated above in Item 11, Momentum has a personal trading policy in place to monitor the securities transactions and securities holdings of the Firm and its related persons.

**Principal Transactions:** Momentum and individuals associated with our firm are prohibited from engaging in principal transactions (i.e., a transaction where Momentum or a person associated with Momentum, as principal, buys securities from, or sells securities to, a Momentum client).

## BROKERAGE PRACTICES

## ITEM 12

**Recommending Brokerage Firms:** Broker-dealers/custodians will be recommended based on Momentum's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and the Firm may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited

to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the broker-dealers that may aid in the Firm's research efforts. Momentum will not charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Momentum may have investment discretion to select the securities and amount of securities for your accounts that are managed by us, and we may also have discretionary authority from our clients to select the broker-dealers used and the commission rates to be paid. It is Momentum's policy to seek best execution of orders on the most favorable terms for the client under the circumstances. In selecting broker-dealers to effect portfolio transactions, the determination of what is expected to result in the best execution on the most favorable terms for the client under the circumstances involves a number of largely judgmental considerations. Among these are (1) the broker's efficiency in executing and clearing transactions; (2) the commission rate; (3) the size of the broker-dealer's spread; (4) the size and difficulty of the order; (5) the operational capabilities of the broker-dealer; (6) the nature of the market for the security; and (7) any research and other services provided by the broker-dealer.

Our recommendations and decisions are based on our determination of the suitability of the recommendation given the client's investment objectives. When we exercise investment discretion, we select the security, the amount of the security, and the timing of the transaction. We then place the transaction without obtaining the client's specific consent on a transaction-by-transaction basis. Any limitation on that discretion is set forth in writing.

Momentum may have an incentive to recommend a broker-dealer based on its interest in receiving research or other products or services rather than on the clients' interest in receiving most favorable execution under the circumstances.

Momentum prefers that clients use the custodial and brokerage services of Charles Schwab Inc. ("Schwab"), Interactive Brokers ("IB"), or JP Morgan (JPM"), which are SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation (see [www.sipc.org](http://www.sipc.org) for more information about SIPC and how it serves member firms and the investing public). In recommending Schwab, IB, and JPM, the Firm has taken into account the broker-dealers' ability to provide professional services, their reputation, their quality of execution services, and their costs of such services. Among other factors, as part of the services available to advisers and their clients who use the three broker-dealers as a custodian, the broker-dealers/custodians offer an online access to the trading platform to enter orders, view account information and use tax management functionality; and performance reports. Momentum conducts periodic assessments of custodians involving a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers. While we recommend that you use the three custodians/broker-dealers, the decision whether to do so is made by each client.

1. Research and Other Soft Dollar Benefits: While Momentum has no formal soft dollar program in which soft dollars are used to pay for third party services, the Firm receives research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Momentum may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and the Firm does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Momentum benefits from soft dollar arrangements by not having to produce or pay for

research, products, or services. The Firm will have an incentive to recommend a broker-dealer based on receiving such research, product, or services. Clients should be aware that Momentum's acceptance of soft dollar benefits may result in higher commissions charged to the client. Momentum's clients do not pay more for investment transactions effected and/or assets maintained at Schwab, IB, or JPM as the result of this arrangement. There is no corresponding commitment made by Momentum to Schwab, IB, JPM, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

2. Brokerage for Client Referrals: Momentum does not receive client referrals from broker-dealers or third party in exchange for using that broker-dealer or third party.
3. Directed Brokerage: Momentum does not recommend, request, or require that a client direct the Firm to execute transactions through a specified broker-dealer. If an opportunity were to arise, the Clients must direct Momentum in writing to use a particular broker-dealer ("Directed Broker") to execute some or all transactions for their accounts (referred to as "directed brokerage"). In that case, the client will have the sole responsibility to negotiate terms and arrangements with the Directed Broker and Momentum will not seek execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs, greater spreads, or receive less favorable net prices on transactions than would otherwise be the case.

**Order Aggregation:** When Momentum buys or sells the same security on behalf of more than one client it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such a case, Momentum would place an aggregate order with the broker-dealer on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Momentum would determine the appropriate number of shares and select the appropriate broker-dealers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## REVIEW OF ACCOUNTS

## ITEM 13

**Frequency of Reviews:** The Firm reviews client accounts on an ongoing basis. Trades for client accounts are monitored regularly by the Firm's Managing Partner and Chief Compliance Officer, Mr. Platt, for adherence to applicable laws and regulations and each client's mandate, restrictions, and guidelines. In addition, all accounts are reviewed at least quarterly to assure conformity with client objectives and guidelines.

**Review Triggers:** All accounts are reviewed in light of emerging trends and developments as well as market volatility.

**Regular Reports:** Clients are provided with written trade confirmations and, at least quarterly, written account statements directly from the custodian of their accounts. Periodically and as needed, Momentum provides written reports to clients regarding their accounts no less than annually.

**Financial Planning:** Financial Planning clients, in connection with onboarding, will receive a completed financial plan. Once the final report is submitted, additional reports will not typically be provided unless otherwise contracted for with the client.

## CLIENT REFERRALS & OTHER COMPENSATION

## ITEM 14

**Economic Benefits from Third Parties for Advice Rendered to Clients:** Momentum may receive an indirect economic benefit from custody companies ("Companies") for utilizing the Companies' custody and brokerage services. Momentum may receive free and/or discounted support services and products from the Companies to better monitor and service client accounts. These services and products generally include, but are not limited to, technology that provides access to client account data, access to investment-related research, pricing information and other market data, and client reporting. Clients do not pay more for the Companies' custody and brokerage services as a result of this arrangement.

This arrangement may create an incentive for the Firm to recommend that clients maintain their accounts with the Companies based on the economic benefit received by the Firm rather than the best interest of clients. The Firm addresses this conflict of interest by making decisions in the best interest of clients, and therefore recommending a custodian based on the overall quality and value of services clients will receive, directly and indirectly, from the custodian. Please see Item 12 for additional information.

Neither Momentum, nor any related person of the Firm, receives sales awards or other such prizes in connection with providing investment advice or other advisory services to clients.

### **Compensation to Non-Advisory Personnel for Client Referrals**

**Client Referral:** Momentum receives client referrals from numerous sources. However, the Firm does not receive fees or any other remuneration for the referral of clients. Momentum does compensate third parties for referrals of prospects that may become clients. Momentum provides compensation to solicitors, under a paid agreement contract, for referring clients to the Firm.

**Franchisee:** Mr. Boomer is a Franchisee of Zips Dry Cleaning LLC. As a franchisee of Zips Dry Cleaning, Mr. Boomer is entitled to receive a referral fee from the franchisor Zips Dry Cleaning for introducing the company to new prospective franchisees.

**Private Fund:** Mr. Boomer and Mr. Pitts are Class B investors of the Franklin Morgan Partners 1 LLC private investment fund and are entitled to compensation from the fund.

**Soft-Dollar Benefits:** As indicated at Item 12 above, Momentum can receive from Schwab, Interactive Brokers, and/or others, including, but not limited to, JP Morgan without cost (and/or at a discount), support services and/or products. Momentum's clients do not pay more for investment transactions effected and/or assets maintained at Schwab, Interactive Brokers, or any other institution as result of this arrangement. There is no corresponding commitment made by Momentum to Schwab, Interactive Brokers, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangement.

**Insurance Business:** Associated persons of Momentum who maintain insurance licenses may recommend insurance products to advisory clients through Momentum Life and other third parties. Principals of Momentum have a financial incentive to recommend to Momentum's clients that they purchase insurance through Momentum Life. Momentum addresses this conflict by disclosing it to its clients and informing them that they have the option to purchase investment products from insurance agents and brokers other than Momentum affiliated licensed insurance producers.

**Third Party Solicitors:** Momentum and its related persons compensate others and have entered into solicitation arrangements with certain third parties for client referrals.

## CUSTODY

## ITEM 15

Momentum uses unaffiliated, qualified, third-party custodians to hold the assets of its clients in a manner that it believes complies with the standards and guidance of the Securities and Exchange Commission Custody Rule. For example, these qualified custodians maintain the client assets in a manner that segregates them from assets for other clients of the custodian.

Momentum is deemed to have custody of the underlying assets of its clients as a result of its imputed and exercise of authority over the clients' assets. Momentum does not provide custodial services to its clients. Client assets are held with banks, financial institutions or registered broker-dealers that are "qualified custodians." Momentum has selected Schwab, IB, and JPM as qualified custodians. Clients through their agreements with Schwab, IB, and JPM have provided written authorization in the Client Services Agreement to deduct quarterly from the client's account the following fees: (1) Momentum's advisor fee; and (2) TPMs advisory fee, which includes a strategist or manager fee, and most custody fees. Other fees for special services may also be charged. Client fees are payable quarterly, in arrears, based on assets under management. Clients may terminate accounts at any time and receive a full pro-rata refund of any unearned fees.

Clients will receive statements directly from their custodians at least quarterly. Clients are urged to carefully review these statements and to compare them to the reports that clients receive from Momentum, which are prepared by the custodians, to ensure that all account transactions, holdings, and values are correct and current. The information in Momentum's reports may vary from the information in the custodians' reports due to differing accounting procedures, reporting dates and/or valuation methodologies of certain securities. Clients should contact us directly if they believe that there may be an error in any statement.

Momentum shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, Interactive Brokers, JP Morgan, etc.) at least quarterly. To the extent that Momentum provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Momentum with the account statements received from the account custodian. The account custodian does not verify the accuracy of Momentum's advisory fee calculation.

## INVESTMENT DISCRETION

## ITEM 16

Momentum provides investment management services to clients on a discretionary and non-discretionary basis. Clients who engage Momentum for discretionary management services may place limitations, in writing, on the Firm's discretionary authority to the extent that the limitations do not adversely affect the Firm's ability to properly manage the account. Prior to Momentum exercising discretionary authority in client accounts, the client is required to execute the Firm's Investment Advisory Agreement, granting Momentum full authority to supervise and direct the investments in the client's account(s).

## VOTING CLIENT SECURITIES

## ITEM 17

**Authority to Vote Client Securities:** Unless otherwise requested by a client, Momentum does not vote proxies on behalf of clients. In the event a client requests that Momentum votes a proxy and Momentum agrees, Momentum will vote in a manner that serves the best interests of the client, as determined by the Firm's Managing Partner in his sole discretion, taking into account the following factors and other such factors that may be proper under the circumstances:

Whether the proposal is a routine proposal or a non-routine proposal;

The impact the proposal will have on the value of the security, or on the value of the returns to the client's account;

The costs associated with the proxy;

The impact the proposal may have on the liquidity of the investment, or the redemption or withdrawal rights; and

The impact the proposal may have on shareholder rights.

In case of a potential conflict of interest, Momentum will refuse to vote the proxies. Assuming the Firm has agreed to vote proxies on behalf of clients, clients may not direct voting in a particular solicitation when the Firm has proxy voting responsibility. Momentum, using its discretion, may choose not to vote proxies on routine proposals if it finds that the benefits of voting are outweighed by the costs or expense of voting.

Because Momentum does not vote proxies, Momentum has not established and adopted proxy voting policies and procedures. Clients retain the right to vote proxies and may do so by notifying their custodians in writing of the desire to vote future proxies. Clients should direct any questions regarding voting proxies to their custodians.

**Client Maintains Authority to Vote Client Securities:** Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Momentum to discuss any questions regarding a particular solicitation.

## FINANCIAL INFORMATION

## ITEM 18

**Prepayment of Fees:** Momentum does not require the prepayment of fees of more than \$500 per client, six months or more in advance. Therefore, we are not required to include a financial statement.

**Financial Condition:** Momentum does not have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

**Bankruptcy:** Momentum has not been subject to a bankruptcy petition at anytime in its operating history.