

ITEM 1 – COVER PAGE

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This Part 2A of Form ADV (Brochure) provides information about the qualifications and business practices of Severin Investments LLC (SI). This document is provided to Clients and Prospective Clients of Severin Investments. If you have any questions about the contents of this brochure, please contact us at (314)983-2707 or info@SeverinInvestments.com.

SI is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration as an investment adviser does not imply a certain level of skill or training.

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 SI is available via the SEC's website www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Since the last annual update of our firm brochure on March 15, 2023, we have the following material changes to report:

- We no longer have an investment adviser representative who is dually registered with a broker-dealer.
- We no longer maintain third-party SLOAs.
- We added estate planning services and changed the pricing for comprehensive financial plans.

ITEM 3 – TABLE OF CONTENTS

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 – FEES AND COMPENSATION	14
ITEM 6– PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	21
ITEM 7 – TYPES OF CLIENTS.....	21
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS	22
ITEM 9 – DISCIPLINARY INFORMATION	25
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	26
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING.....	26
ITEM 12 – BROKERAGE PRACTICES	28
ITEM 13 – REVIEW OF ACCOUNTS	34
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	35
ITEM 15 – CUSTODY	36
ITEM 16 – INVESTMENT DISCRETION.....	36
ITEM 17 - VOTING CLIENT SECURITIES.....	37
ITEM 18 – FINANCIAL INFORMATION.....	37
SEVERIN INVESTMENTS, LLC PRIVACY DISCLOSURE.....	38


ITEM 4 – ADVISORY BUSINESS

Overview

Severin Investments LLC (SI) is a Missouri limited liability company. We have been in business since September 2013 and are principally owned by Jeffrey J Severin, President.

Advisory Services


SI provides the following services to our advisory Clients:

1. Portfolio Management Services (with investment discretionary authority)
2. Institutional Retirement Services
3. Consulting, Monitoring and Advice for Clients' 401k Retirement Assets
-  4. Financial Planning Services (Comprehensive or Limited /Consulting)
5. Estate Planning Services

Investment advice is provided to Clients through our investment professionals who are licensed in various states, as required, as investment adviser representatives (IARs) of SI.

1. Portfolio Management Services

Sub-advisory Services

We provide portfolio management services to broker-dealers, investment advisers and portfolio managers under contractual agreements. As such, we implement our proprietary investment models for their clients for a fee. This includes trading in the client accounts when we make changes in the models. We educate advisors on the risk and investment objectives within each model so they can accurately advise each client. It is the advisor's responsibility to choose an appropriate model for his/her client, and our responsibility is to manage the model according to the investment objectives we have outlined. If we make changes to the investment objectives of a model, we will inform the advisor beforehand to allow adequate time to take appropriate action with his/her clients. 

Overlay Managers and TAMPs

We provide model management services to certain overlay managers and turnkey asset management platforms (TAMPs) under contractual agreements. As such, we upload and make changes to our proprietary investment models for an asset-based fee, which is debited directly from the investment account attached to the model and paid to Severin Investments by the overlay manager or TAMP provider. The overlay manager will directly make trades as directed by us for the advisors using our models. TAMPs allow advisors to approve and make the trades themselves. Under these contracts, Severin Investments has no discretion over individual accounts and is not responsible for determining suitability.

The models available to advisors/investors depends on the contractual agreement we have with the overlay manager or TAMP.

Portfolio Management for Individuals

We meet with our prospective Clients (at no obligation), either in person or via telephone to determine whether our services described in this Brochure will meet your needs and expectations. It is our goal to understand who you are and your investment needs. If our services and your needs align, we will enter into a Portfolio Management Agreement (PMA) with you, which describes the services, fees and related information that governs the portfolio management services described here.

We then document the information gathered on you and your personal obligations. The result of this activity is a personal Investment Policy Statement (IPS). The IPS documents your:

- Personal information
- Investment goals
- Investment objectives
- Investment restrictions (if any)
- Risk tolerance
- Time horizon
- Other information

This IPS is the key to our providing portfolio management services to you. The information you provide helps us match you with the appropriate investment model(s) for your risk tolerance and investment objectives. We actively manage our model portfolios according to the parameters we define for the model, rather than each client's individual needs. Therefore, our investment adviser representatives match you with the appropriate model(s) by comparing the model's risk and return characteristics with your risk tolerance and investment objectives.

Information Regarding All Managed Accounts

We maintain and monitor all Client accounts indirectly through our monitoring and management of the model portfolios. We manage different types of model portfolios to accommodate different account sizes and investment objectives. We typically invest accounts greater than \$100,000 in models comprised of individual stocks, bonds, and exchange traded funds (ETFs) or mutual funds. These models generally hold 80–100 holdings, and smaller accounts may not receive proper asset allocation in such a model. Therefore, we typically invest accounts of less than \$100,000 in our ETF/mutual fund models. Depending on the account custodian, fractional shares may be available to the client. In this case, we may also use the larger models that include individual stocks for these smaller accounts.

Our model portfolios have varying return expectations and levels of risk. Therefore, our understanding of our models' duration, asset allocation, and risk tolerance levels allows us to match your account to a model based on your needs. Your portfolio may be customized to reflect any reasonable restrictions you wish to have on the account. The procedure involving account restrictions is described below under "Restrictions".

Use of ETFs and Mutual Funds

In our exclusively ETF/mutual fund models, we use the funds to implement tactical tilts and effect sector rotation strategies.

We may also use ETFs or mutual funds to implement a tactical tilt in the larger stock, bond, and ETF models. The portfolio managers often supplement certain asset classes to which the model has less exposure with ETFs to manage the risk exposure in the particular asset class. For example, the model may contain several small-cap stocks supplemented with a diversified small-cap ETF. We often employ this strategy in the international and emerging markets equity asset classes. In international and emerging markets, using ETFs also allows us to avoid the additional expense and risk associated with trading on overseas exchanges.

We often use ETFs or mutual funds rather than individual bonds for fixed income allocations. This allows us to implement sector swaps and adjust positions to capitalize on fast-moving markets in a much more efficient manner than trading in smaller blocks of bonds. Even so, we reserve the right to purchase individual bonds in the larger stock, bond, and ETF models.

ETFs and mutual funds also provide us the ability to gain exposure to commodities and alternative asset classes, including real estate (typically through real estate investment trusts (REITS) which are traded on national exchanges and provide immediate liquidity).

When using mutual funds, we use only no-load or load-waived mutual funds in managed accounts. However, we rarely use mutual funds. We prefer to use ETFs because they trade like stocks throughout the day rather than only at the end of the day. They also tend to have much lower and more transparent internal fees, which is something we consider important when choosing a mutual fund or ETF.

Investment Discretion

We provide portfolio management services on an investment discretionary basis only for our private clients and any individual with whom we have a sub-advisory agreement. Please see Item 16 for more information. The investment discretionary authority we have (through a limited power of attorney) is defined in the written PMA we have with you.

Investment discretion means we have the authority to determine the securities to purchase, sell or hold for your account; the amount of the securities to purchase, sell or hold; and the timing of these transactions without discussing the transactions with you in advance. Clients may impose reasonable restrictions on our discretionary portfolio management services.

Restrictions

SI reviews client requests for investment restrictions (no sin, tobacco, etc. or tax harvesting) to determine whether they are reasonable before implementing them. If we believe initial or revised restrictions are too broad or extensive, we may refuse to open a new account or terminate an existing account that could not be properly diversified given the restriction. We will certainly work with Clients who have personal and specific restrictions to determine if we can accept those restrictions in a manner consistent with our fiduciary obligations and any

contractual provisions. Investment restrictions must be provided in writing and accepted by SI to be implemented. The client must also sign an attestation stating they understand their restrictions may change the risk profile of their portfolio and the account's investment performance. We typically document Client imposed restrictions on the IPS.

Requests for updates to restrictions may be submitted in writing as well. Changes are not implemented until received and accepted by SI, typically by mutual agreement and as documented in the IPS.

Updates to your personal information

We request that you provide notification to SI as soon as possible when there is a material change to your financial situation or investment / risk profile that may have an impact on the services provided. These can include: death, marriage, inheritance, birth of a child, divorce, new job, loss of job, new home, accident, medical emergency, etc.

Retirement Rollovers-Potential for Conflict of Interest

When SI provides investment advice to Clients regarding ERISA retirement accounts or Individual Retirement Accounts (IRAs), SI is a fiduciary within the meaning of Title I of ERISA. When deemed to be in the Client's best interest, SI will provide investment advice regarding distributions or rollovers from such accounts.

A client or prospective client leaving an employer typically has four options for an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an IRA, or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Adviser recommends that a client roll over their retirement plan assets into an account to be managed by Adviser, such a recommendation creates a conflict of interest if Adviser will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by Adviser. Adviser's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Services to Accounts Greater Than \$100,000 (or accounts custodied at Goldman Sachs Custody Solutions)

Our preference is to manage accounts that exceed \$100,000 on an active basis through the utilization of individual stocks and / or bonds, supplemented with mutual funds or ETFs as may be necessary or appropriate. Accounts custodied at Goldman Sachs Custody Solutions (GSCS) may also be managed using these models, as GSCS aggregates accounts, allowing individuals to own fractional shares. For these Client relationships, we manage several model portfolios which guide our investment advice provided to each Client. Each model includes a mix of the following asset classes:

- Domestic equity, including Real Estate Investment Trusts (REITs)
- Fixed income securities
- American Depositary Receipts (shares of foreign issuers registered and traded on US exchanges)

- Commodity ETFs
- Emerging market and international ETFs

Stock and bond driven Investment Portfolios for accounts greater than \$100,000 include:

- SI Current Equity Income
- SI Conservative Growth
- SI Moderate Growth
- SI Moderate Growth & Income
- SI Long Term Growth
- SI Relative Strength

In some circumstances, we may instead determine that one of our ETF portfolios is appropriate. These portfolios are:

- SI ETF Conservative Growth
- SI ETF Moderate Growth
- SI ETF Long Term Growth
- SI Conservative Income

Services to Accounts Under \$100,000

For accounts under \$100,000, we will manage your account assets on an active basis; however, the portfolio holdings are limited to ETFs or mutual funds only. We manage four different portfolios under our ETF asset allocation program. These models include the following:

- SI ETF Conservative Growth
- SI ETF Moderate Growth
- SI ETF Long-Term Growth
- SI Conservative Income

ETFs included in these various models can include:

- Equity (domestic and foreign exposure)
- Cash alternatives
- Fixed income (domestic and foreign exposure)
- REITs
- Commodities

Descriptions of Severin Investments Model Portfolios

- *SI Conservative Income:* This model uses ETFs and mutual funds to obtain a conservative capital preservation and income strategy. The portfolio consists of a small amount of equity and commodities. It invests primarily in investment-grade corporate bonds, government bonds and agency bonds guaranteed by the U.S. Government, its agencies or instrumentalities. Although the strategy allows for equity exposure ranging between 10%–40%, the typical allocation is 15%. A typical portfolio will hold at least 10 securities diversified across various sectors and maturities and, generally, no single corporate position will be more than 5% of the portfolio total value. The portfolio managers will vary the portfolio's duration based on their interest rate outlook. If they anticipate that

interest rates will rise, they will shorten the average maturity to attempt to protect capital. However, if they anticipate declining rates, they will lengthen the portfolio's duration to attempt to obtain higher rates to capture price appreciation. The investment team, utilizing a top-down approach, assesses macroeconomic data and trends to formulate an interest rate strategy. This portfolio is available to all account sizes within our managed program.

- *SI Moderate Growth and Income:* This model invests in U.S, international, emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth and steady income from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. The strategy allows for equity exposure ranging between 45%–60%, and fixed income exposure between 40%–50%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use individual stocks for equity positions and ETFs for fixed income positions. The minimum account size is \$100,000 unless fractional shares are available.
- *SI Current Equity Income:* This model is designed for investors seeking equity income with potential long-term capital appreciation. It invests in dividend-paying stocks that we believe have moderate growth potential; sustainable dividends; a history of and projected dividend growth; and a collective current yield that is higher than the broad market average. There is no restriction on market capitalization of the companies held, however the model generally tilts toward large cap stocks. The model is fully invested in individual equities. The minimum account size is \$100,000 unless fractional shares are available.
- *SI Conservative Growth:* This model invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. Although the strategy allows for equity exposure ranging between 60%–85%, the typical allocation is between 70%–80%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use individual stocks for equity positions and ETFs for fixed income positions. The minimum account size is \$100,000 unless fractional shares are available.
- *SI ETF Conservative Growth:* This model invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. Although the strategy allows for equity exposure ranging between 60%–85%, the typical allocation is between 70%–80%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use ETFs but may also use mutual funds. It is available to all account sizes within our managed program.

- *SI Moderate Growth:* This model invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. Although the strategy allows for equity exposure ranging between 60%–95%, the typical allocation is between 80%–90%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use individual stocks for equity positions and ETFs for fixed income positions. The minimum account size is \$100,000 unless fractional shares are available.
- *SI ETF Moderate Growth:* This invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. In times of increased market volatility, the model's characteristics may change significantly. Although the strategy allows for equity exposure ranging between 60–95%, the typical allocation is between 80–90%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use ETFs but may also use mutual funds. It is available to all account sizes within our managed program.
- *SI Long Term Growth:* This model invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. Although the strategy allows for equity exposure ranging between 70–100%, the typical allocation is between 90–100%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use individual stocks for equity positions and ETFs for fixed income positions. The minimum account size is \$100,000 unless fractional shares are available.
- *SI ETF Long Term Growth:* This model invests in U.S, international, and emerging market equities, fixed income, and commodities with the goal of providing long-term capital growth from a well-diversified strategy. There is no restriction on the market capitalization of the companies held. Although the strategy allows for equity exposure ranging between 70–100%, the typical allocation is between 90–100%. The model allocation may change significantly, as the portfolio managers implement tactical tilts and sector rotation to attempt to capitalize on economic and market changes. We primarily use ETFs but may also use mutual funds. It is available to all account sizes within our managed program.
- *SI Relative Strength:* This is a rules-based model calculated by Standard & Poor's Custom Indexes. The index is predicated upon the 14-Day Relative Strength Index. The Relative Strength Index is a momentum indicator that measures the magnitude of recent price changes to analyze overbought or oversold conditions. The index methodology selects 49 stocks derived from the Standard & Poor's 500 Index and which offer the most attractive 14-day relative strength index as of the first trading day of the month. This model has up

to 100% turnover every month. The minimum account size is \$50,000 unless fractional shares are available.

Severin Investments Wrap Fee Program

We sponsor the Severin Investments Wrap Fee Program (Wrap Fee Program). Only our investment advisor representatives can open accounts for clients through the Wrap Fee Program. Therefore, participants must be advisory clients of Severin Investments. All clients in the Wrap Fee Program must execute a Wrap Fee Program Portfolio Management Agreement before establishing an account.

Participation in our Wrap Fee Program is not required of advisory clients, and there are no differences between the management styles of wrap fee accounts and non-wrap accounts. In fact, all our models are available in the Wrap Fee Program.

The only difference between the two is the fees incurred by the account. Non-wrap accounts incur our management fee plus any trading charges the custodian imposes when we trade in the account. In contrast, our wrap fee covers all trading costs associated with trading securities. As the sponsor of the Wrap Fee Program, SI receives a portion of the wrap fee for our services.

This section is intended as a summary of the Wrap Fee Program. Clients contracting for the Wrap Fee Program will receive the Severin Investments Wrap Fee Program Brochure which provides more detailed information.

2. Institutional Retirement Services

We offer investment advisory services to fiduciaries of 401(k) plans. We provide our actively managed models that we match to the needs of each participant. We usually recommend our stock and ETF models for accounts that are at least \$100,000, and our ETF-only models for accounts that are less than \$100,000. If the custodian of the plan allows fractional shares, our account minimum for the stock and ETF models is reduced.

Plan participants can consult with one of our investment adviser representatives for advice on which model(s) and/or ETFs are best suited for the participant's needs and risk tolerance at no additional cost. Failure to consult with an investment adviser representative will result in the account's allocation to SI Conservative Growth, SI Moderate Growth, or SI Long Term Growth depending on the participant's time horizon.

Investment options include any of Severin Investments model portfolios or individual ETFs and mutual funds upon request. Please see "Descriptions of Severin Investments Model Portfolios" on page 8 for a full list of investment options.

Because some types of investments involve additional risk, they will only be implemented/recommended when consistent with the responsibilities of a plan fiduciary as defined by the Department of Labor.

3. Consulting, Monitoring & Advice Services for 401k Retirement Assets

Our individual clients may request us to provide our professional expertise in the management of their retirement assets in an employer's defined contribution plan (usually a 401k). This is a stand-alone service, meaning we require Clients to enter into a separate agreement for this service. Consulting and Monitoring services are significantly different from our Portfolio Management Services.

Under this consulting service, we provide asset allocation recommendations based upon:

- Securities available to participants within the defined contribution plan (as determined by the Plan's Trustees or other fiduciary to the plan); and
- Your account value as determined by the custodian / administrator of your 401k account

As a result, we provide asset allocation recommendations based solely on the 401k account assets you own. These assets are held by the custodian or administrator of your 401k Plan. Severin Investments has *no investment discretionary authority* over the management of these assets.

SI will help you determine the most appropriate asset allocation of these 401k retirement assets. This may or may not include the development of an IPS. After entering into a Consulting and Monitoring agreement with you, we will initially and periodically (quarterly or yearly as determined necessary) make recommendations to your asset allocations across the available securities in your 401k plan.

Although SI cannot place the transactions at your 401k broker / custodian, we can provide continuous monitoring services over the securities (and your asset allocation) within your 401k. To do so, we will rely on each Client to provide confirmation of transactions to us, which reflect your implementation of the asset allocation recommendations we provide to you. We may also request that SI be identified with your 401k provider as an "interested party" to receive duplicate confirmations of transactions and duplicate copies of your monthly / quarterly account statements. This will facilitate our monitoring services to determine if you were able to implement recommended transactions.

You are not required to follow our asset allocation recommendations in your 401k, or you may implement some recommendations and disregard others. The goal of the service is to help our clients better align their employer sponsored retirement plans with their other accounts and their investment goals.

4. Financial Planning

SI also provides advice in the form of a written (comprehensive) or limited (consulting) financial plan.

Comprehensive Plans

When providing Comprehensive Financial Planning services, we take a holistic approach for you and your family. The topics include, but are not limited to, the following:

- Goals and objectives
- Personal and family obligations
- Educational needs for children
- Retirement planning
- Tax management /planning
- Estates and estate plans; and
- Risk management (i.e., insurance protection)

Through personal and in-depth interviews, we tabulate your personal data in third party financial planning software which utilizes various predictions / models to estimate and provide recommendations on courses of actions you should follow. This written plan is a roadmap for you to use as a guide to achieve your stated financial goals and objectives. Plans are “generic” in nature, so financial planning recommendations are not specific to any product or service offered by a broker-dealer or insurance company. As plan recommendations are generic in nature, you are also free to utilize any broker or insurance agency you choose to implement plan recommendations.

We request that our Comprehensive Planning Clients meet with us at least annually to update the Plan, in part by assessing the success of the plan over the previous 12 months. In addition, a change in your personal circumstances should be communicated to us as soon as possible. These events can significantly impact Plan recommendations. Examples include:

- Marriage or divorce
- Birth of a child
- Death in the family
- New dependents (i.e., caring for elderly family members)
- Change or loss of jobs
- Medical conditions
- Inheritance
- Other

Limited Planning Services

From time-to-time, Clients may have a need for more limited / consultative planning services. To facilitate this type of financial planning, SI is available to provide investment advice in a more limited nature, which may include advice on any of the topics included in our Comprehensive Financial Planning service.

5. Estate Planning

We offer Estate Planning services for our clients to assist with general information as it applies to reviews of existing plans, gathering information needed to provide outside firms in the creation of documents, and updating existing plans for clients.

The fees associated with estate planning related services are separate and in addition to your ongoing financial planning or advisory fees and are disclosed in Item 5.

Depending on the client's needs and desires for estate planning document review, preparation, or updates, we will engage with EncorEstate Plans, a third-party scrivener service, or estate planning attorneys.

Though Tess Severin Butler, JD is an attorney, she does not provide any legal advice on estate planning documents or draft the documents.

Assets Under Management:

As of February 12, 2024, we manage \$102,710,000 of client assets on a discretionary basis and \$9,998,000 on a non-discretionary basis for a total of \$112,690,000 in regulatory assets under management.

ITEM 5 – FEES AND COMPENSATION

Our fees for advisory services are described below. Each of our services is provided separately. As a result, you may have multiple agreements with SI for Portfolio Management and/or 401k Consulting and Financial Planning as described below.

1. Portfolio Management Services

Sub-Advisory Services

Severin Investments charges an annual asset-based fee, which is negotiable. Our default billing practices vary by custodian. However, we can bill to match how the advisor bills the clients for convenience. If the advisor bills quarterly or in arrears, we can also bill this way.

Charles Schwab: We bill monthly in advance based on the average daily balance of the account during the billing cycle. The custodian deducts our fee directly from the account as calculated and submitted by us.

Goldman Sachs Custody Solutions: We bill monthly in advance based on the value of the account on the last day of the previous month. GSCS calculates and deducts our fee directly from the account.

Overlay Managers and TAMPs

Our maximum annual fee is 50 bps (0.50%) of assets under advisement. This fee may be negotiable. The TAMP calculates and deducts the fee pursuant to its own policies before submitting it to us.

Portfolio Management for Individuals

We charge an annual asset-based fee, billed differently depending on the policies of the account custodian.

LPL Financial: The account is billed quarterly in advance using the value of the client's account on the last day of the previous billing cycle. LPL uses a flat fee, meaning the entire account value is charged at the fee rate indicated by the size of the account. The custodian calculates and debits the fee.

Charles Schwab: The account is billed monthly in advance based on the average daily value of the client's account during the billing cycle. We charge a tiered fee, meaning the fee is a schedule of rates applicable to different breakpoints. The effective fee rate is the weighted average of each breakpoint applicable to the account value. Householding of client accounts to achieve higher breakpoints may be available by agreement with the Client. Severin Investments uses a third-party software called Black Diamond to calculate the fee, and then submits the fee to be debited directly from the account.

GSCS: The account is billed monthly in advance based on the ending market value of the account on the last business day of the preceding month. We charge a tiered fee, meaning the fee is a schedule of rates applicable to different breakpoints. The effective fee rate is the weighted average of each breakpoint applicable to the account value. The custodian calculates and debits the fee.

The fee schedule below reflects our maximum fee schedule, which is negotiable depending on the level of service desired by the client. Your specific fee is documented in the Portfolio Management Agreement we have with you.

Discretionary Fee Schedule

Assets Managed:	Tiered Fee is:
First \$500,000	2.00%
Next \$500,000	1.50%
Next \$4 million	1.10%
Over \$5 million	Negotiable

Severin Investments charges a maximum administration fee on non-discretionary accounts of 1.95% of account assets. Non-discretionary accounts are not invested in SI's models and are holding only securities that the client has chosen. We may or may not provide advice and research on these accounts, depending on our specific agreement with you. We will maintain the accounts along with your discretionary accounts and place trades at your direction. This fee may be negotiable. The negotiated fee will be reflected in the client's Portfolio Management Agreement.

Adviser imposes a minimum annual fee of \$1,500 per household unless otherwise negotiated.

Criteria we use in negotiating asset-based fees are based upon and not limited to the following:

- Number of actual accounts
- Size of the relationship
- Inclusion of Financial Planning services
- Relationship growth opportunities
- Investment restrictions
- Other factors

Account minimums:

Severin Investments imposes a minimum account size of \$50,000 and a minimum household of \$500,000 to open an account, which may be waived at our discretion.

Grandfathering of Minimum Account Requirements and Advisory Fees:

Pre-existing advisory clients are subject to SI's minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship.

Fees pro-rated:

For account(s) opened during a billing cycle, portfolio management fees are pro-rated contingent on the number of days the account was open during the billing cycle that our services were provided. The date on which the pro-rated fee is charged depends on the custodian of the account.

LPL Financial: Pro-rated fees for partial billing cycles are based on the value of the account on the last day of the previous billing cycle. The pro-rated fee is added to the next billing cycle's fee, so it appears as one line item on the statement.

Charles Schwab: Pro-rated fees for partial billing cycles are based on average daily balance of the account during the partial billing cycle. The pro-rated fee is charged along with the next billing cycle's fee and is shown as a separate line item on the statement.

GSCS: Pro-rated fees are charged based on the starting value of the account and are charged immediately. This fee is shown as a separate line item on the statement.

Refunds are also pro-rated based on the number of days the account was open during the billing cycle.

Fee Payment:

Fees will be debited from the account in accordance with the client authorization in the PMA.

In paying fees for portfolio management services, we request you authorize us, in the PMA we have with you, the direct debiting of our fees:

Fees are Direct Debit: Our advisory fees, as described above, initially and every fee cycle, thereafter, are debited (deducted) from your custodial account(s). This authorization will be both in the PMA we have with you and in the account application you enter into with your custodian.

At least quarterly, your custodian will either mail you a statement or make it availability electronically. It will list your positions and show all account transactions, including: trades, income, SI's advisory fee, and any other debits and credits to the account.

Note: Direct debit of your advisory fees *are not applicable* to 401k consulting services, estate planning, or financial planning services.

Even though the debit request is calculated on the account values as calculated by a third party (Black Diamond or the custodian), we encourage you to confirm the fee calculation and its accuracy as processed by your custodian.

Wrap Fee Program

Clients participating in wrap fee programs may be charged various program fees in addition to the advisory fee charged by our firm. Specifically, IRA accounts under \$250,000 custodied at LPL Financial are also subject to an additional \$40 custodian fee per year. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge or ticket charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any other separate program fees that may be charged to clients.

Termination

The advisory agreement for SI's portfolio management services may be terminated by either party upon delivery of written notice to the other. Upon termination, SI will cease providing investment advice and all transactions placed prior to termination will be allowed to settle. Pre-paid and unearned fees will be refunded by check or credit back to the account within 60 days of termination.

2. Institutional Retirement Plan Fees

The fees for services to defined contribution plans are determined by placing bids and are negotiable.

3. Consulting, Monitoring, & Advice Services for 401k Retirement Assets

SI charges an hourly fee billed at the completion of the service for 401k monitoring and consulting services. There is no minimum 401k account size we impose; however, we will tell you if we believe the value is too small for us to "actively" monitor and provide allocation recommendations. We provide this service for free to advisory clients with discretionary accounts that meet our minimum household size requirements.

Fees for this service are \$400 per hour spent creating the asset allocation for the client charged in 15-minute increments. The minimum charge for this service is \$200.

Under certain circumstances, this fee may be negotiable. The exact fee is documented in the 401k Consulting, Monitoring and Advice agreement we have with you.

Fee Payment:

We will invoice each 401k Consulting Client for the fee due and payable based on the amount of time required to prepare the recommendations.

Fees invoiced are due and payable within 30 days of the date of the invoice and are paid by personal check payable to Severin Investments, LLC.

Termination:

A 401k consulting agreement may be terminated by either SI or a Client by written notice delivered to the other. Upon the effective date of termination, we will cease providing services to you; fees for services due and payable will be invoiced.

4. Financial Planning Services

Comprehensive Financial Planning

Severin Investments charges a fixed amount of \$3,000 for a comprehensive financial plan, which may be waived or discounted at the firm's discretion if the client is an advisory client with discretionary accounts. For especially complicated financial planning, Severin Investments may also charge an hourly rate for our employees' extra time in developing the plan. This rate can vary between \$150 per hour and \$400 per hour depending on the associate and will be billed in 15-minute increments. This will always be disclosed in writing prior to developing the plan.

Those who engage our firm for financial planning services only must pay a non-refundable deposit of \$1,500 before we develop the plan, and the remainder upon receipt of the plan.

Limited Financial Planning / Consulting

We charge an hourly rate between \$150 and \$400 per hour depending on the associate for limited financial consulting. The client must pay a non-refundable deposit equal to the first hour's rate, and then the rest upon completion of the financial consulting services. Services are billed at a minimum of 1 hour in 15-minute increments. Rates may be discounted or waived for clients with discretionary accounts at our discretion.

Our clients' IPS is essentially an investment plan. It is comprised of information that we feel is necessary to properly invest our clients' assets, and it is included in our discretionary program at no additional charge. However, some clients may need limited financial consulting services that are outside the day-to-day activities of managing our portfolios. These services may include, but are not limited to, calculating cost basis on stocks, research on stocks that fall outside the scope of our portfolios, looking up and recalculation of insurance and annuity products, filling out class action lawsuit forms on stocks, etc.

Additional Information Regarding Financial Planning Services

All insurance products sold in connection to limited or comprehensive financial plans pay a commission to Severin Investments, LLC and to the advisor.

All clients that have discretionary or non-discretionary accounts with Severin Investments will have account access online with access to a written report of the financial plan.

It is our goal to provide Comprehensive Plans as soon as possible. Sometimes, obtaining all necessary information can take several weeks or even months for complex plans. We strive to present written Plans within 120 days of entering into the planning agreement with you.

Termination

Planning agreements may be terminated at any time by written notice delivered to the other party.

If a planning agreement is terminated prior to our service completion, we will bill for our services based upon the hourly rate applicable for the services provided. Your non-refundable deposit will count against the time billed. We will also refund any pre-paid fees beyond the non-refundable deposit that were not earned by SI.

Additional Compensation

Management personnel and other related persons of our firm are licensed as insurance agents. In their separate capacities, these individuals can implement investment recommendations for advisory clients for separate and typical compensation, such as commissions. This presents a conflict of interest to the extent that these individuals recommend that a client invest in an insurance product based on the compensation received, rather than on a client's needs. Please see Item 10 for more information about how we address and disclose conflicts of interest that result from these activities.

Clients are not under any obligation to engage these individuals when considering the implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Clients have the option to purchase these products through other agents not affiliated with Severin Investments, LLC.

5. Estate Planning Services

The fees for estate planning will be determined based on the complexity of the planning services needed. Our pricing is as follows:

- Trust-Based Estate Plan - \$1,600
- Will-Based Estate Plan - \$700
- Powers Package - \$300
- Estate Plan Amendments - \$300
- Retitling of Real Property and Beneficiary Deeds – Varies by State
- Summary of Existing Estate Plan - \$150

The fees may be negotiable in certain cases, will be agreed to at the start of the engagement, and are due at the end of the engagement. A non-refundable deposit of 50% of the fee is due at the start of the engagement unless otherwise negotiated.

Clients are not required to utilize any third-party products or services that we may recommend, and they can receive similar services from other professionals at a similar or lower cost.

General Information on Advisory Services and Fees

Electronic Communications / Authorization

In the written agreement with you, SI will request your authorization to allow SI to communicate with you through electronic means, such as email or secure portals. We will require your primary email addresses for all signers of our advisory agreements.

Services Offered to Family or Friends

Our services are available to family members or friends of our employees at fee schedules that are lower than disclosed above.

Additional Expenses

The investment management services provided by SI include ETFs, mutual funds, individual stocks, bonds, and cash equivalents. Consequently, it is important that you understand that:

- The investment of your account assets in ETFs, mutual funds, and other securities will incur additional expenses and fees as the shareholder/investor in these securities. These additional expenses include:
 - Advisory/management fees charged by the ETF or mutual fund (as described in each ETF and mutual fund prospectus) to shareholders
 - Administrative and operational expenses
 - Trading commissions, as applicable, paid by shareholders of ETFs and mutual funds
 - Exchange and government fees
 - 12b-1 fees (mutual funds)
 - Other

Therefore, in evaluating our investment management services, please take into consideration not only SI's advisory fee, but also the fees and expenses of the underlying securities that we purchase on your behalf. You may contact us at any time to discuss these additional expenses or costs, as they may apply to you.

Additional fees or expenses you will incur: These fees and expenses are not included in the advisory fees that you pay to SI. We also do not pay all these fees related to your security transactions; we pay only those fees charged by your broker/custodian which are commissions or ticket charges. We do not participate, directly or indirectly in any of these fees that you pay to others:

- Deferred sales charges (on mutual funds or annuities)
- Odd-Lot differentials
- Transfer Taxes

- Wire transfer and electronic fund processing fees
- Commissions or mark-ups/mark-downs on security transactions (no principal transactions occur in accounts managed by SI)
- Other fees charged by custodians or the client's linked bank

Services available from other sources

You should also be aware that similar advisory services may be available from other sources at fee levels higher or lower than those charged by SI. In addition, you do not need to hire SI to invest in the securities utilized in the portfolio management or 401k consulting services we provide. However, you will not receive the benefit of our expertise if you do not engage us to manage or monitor your assets.

Valuations

SI does not, itself, value the securities in your accounts managed by us. Your custodian values all securities held in your accounts under our management.

Depending on the custodian firm where your assets are held, portfolio management advisory fees are calculated by either your custodian or Black Diamond, a third-party firm, based upon your custodian's valuation of your account assets at inception and quarterly or monthly thereafter, including through the date of termination of an advisory agreement.

Your custodian is your official record-keeper of capital gains, losses and tax reporting for annual tax returns and related information.

Delivery of Disclosure Brochures

We provide all prospective clients this ADV Part 2A / B, Form CRS, and Part 2A Appendix 1: Wrap Fee Program Brochure, if required, prior to the execution of an agreement for services. If we provide our disclosure brochures at the time you entered into an agreement with us, you have the right to terminate the agreement without penalty within 5 business days of the date you execute the agreement with us.

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

We do not charge advisory fees based on a share of capital gains upon or capital appreciation of the funds (or any portion of the client funds) or securities (performance-based fees).

ITEM 7 - TYPES OF CLIENTS

We provide our discretionary investment management services to the following types of Clients:

- Individuals and high net worth individuals
- Trusts, estates, charitable organizations
- Trustees/Sponsors of Defined Contribution Plans
- Financial Advisors or Financial Planners as a Third-Part Asset Manager

- Other entities

As previously disclosed in Item 5, our firm has established certain minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures for each applicable service.

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

Method of Analysis and Sources of Information:

Investment advice is provided by a team of three (3) individuals who comprise SI's "Investment Committee."

The Committee analyzes securities we may use for Client's accounts based upon three methodologies:

- Fundamental Analysis. Defined as a method of evaluating a security that considers future, intrinsic value by reviewing related economic, financial and other factors. We consider as many data points as we can that might affect the security's value.
- Technical Analysis. Defined as an analysis discipline used for forecasting the direction of stock / market prices through the study of past market data, primarily price and volume. Many believe technical analysis is a key component of active portfolio management; we believe that the utilization of both fundamental and technical analysis provides SI with our best understanding of our conclusions and assumptions.

In concert with our analysis methodology, we utilize several tools to conduct our internal (and proprietary) research / analysis. These tools include, but are not limited to:

- Standard and Poors
- Market data
- Liquidity debt ratios
- 52-week average forecasts
- Internal research; and
- Charting software to best align portfolio decisions with risk / reward objectives

We also may determine to overweight or underweight a certain market sector, asset class, or market capitalization of a security based on our assessment of the various datapoints. This is called tactical investing.

As described under Item 4, we utilize our model portfolios as a guide to build efficient portfolios for each Client, based upon your IPS and the resulting correlation between your needs and each model.

As an active manager, we define our entrance and exit strategies for individual security positions. We often select securities for long-term investment and adjust exposure to them over time. However, we also choose securities that we intend to hold only as a short-term investment. Market conditions and underlying fundamentals of the security can impact our decision-making regarding security selection.

We utilize asset allocation to manage risk in the portfolios by limiting the exposure of any one equity security, typically to 2% of the portfolio value at purchase. In addition to asset allocation, we also use beta and standard deviation that coincide with our risk / reward assumptions.¹

Asset allocation also attempts to mitigate portfolio exposure (risk) by covering all equity sectors, and in some cases, asset classes. When using cash or the fixed income asset class, we may include:

- Short, intermediate, or long-term US Treasury securities
- Credit bonds
- Agencies
- Corporate
- Municipal bonds; and,
- Preferred equity

Using the platform made available to us by your Custodial Firm, we have access to over 8,000 no-load or load-waived mutual funds from more than 450 fund families. We can also purchase, sell or hold:

- Individual stocks
- Bonds
- ETFs
- UITs
- Alternative assets (we access these typically through ETFs)
- Options
- Other

Retirement Plans:

In formulating our investment advice and managing assets within a defined contribution plan, we review and assess the performance of the investment options within a plan to ensure a broad range of investment opportunities are available to participants. We also review and assess the performance of the investment options to ensure they reflect the broad spectrum appropriate to the age and risk tolerance of plan participants. We evaluate the cost of each investment with respect to alternative investments of a similar nature. We evaluate Model Portfolios and Target Date Funds with respect to their suitability for the age band specified by the investment.

Risk of Loss:

Investments in securities always carry a risk of loss. Your decision to invest in securities carries the potential for a loss of your invested assets (your principal amount) or any appreciation of

¹*Beta* is a number that describes the correlated volatility of a security in relation to the volatility of a benchmark. Benchmarks include the Dow Jones 30 Industrials and the S&P 500, among others. *Standard deviation* measures the variation (or dispersion) that exists from the average value of an asset. Low standard deviation means that the data points tend to be close to the average; high standard deviation means that the data points are more spread out over a larger range of values, thus, more dispersion of results / returns.

your holdings that have not been realized (those securities that were not sold to lock in the appreciation). Losses in an investment portfolio are an event you should be prepared to bear.

The following items are security specific risks applicable to securities or strategies we use in managing your portfolios:

- Alternative strategy mutual funds or ETFs. Certain ETFs and mutual funds we may use in our models and accounts invest primarily in alternative investments and/or strategies. Investing in these alternative investments / strategies may not be suitable for all our Clients. These include special risks, such as those associated with commodities, real estate, and leverage, selling securities short, use of derivatives, potential adverse market forces, regulatory changes, and potential ill-liquidity. There are special risks associated with ETFs that invest principally in real estate securities, such as sensitivity to changes in real estate values and/or changes in interest rates and price volatility due to the ETF's concentration in the real estate market.
- ETFs. These securities are investment companies that are legally classified as "open end mutual funds" or "unit investment trusts" (UIT). They differ from traditional mutual funds through, primarily, the fact that ETFs are listed and traded on an exchange. Shares of ETFs can be purchased and sold throughout the trading day like shares of other publicly traded securities (equities). ETFs may trade at a discount or a premium to their net asset value. The difference between the bid (what someone is paying for the ETF) and ask (what it costs to buy the ETF) is called the spread. The spread varies over time with the bid and ask, based upon several factors including trading volume and market liquidity. Spreads tend to be lower if the ETF has a lot of trading volume and liquidity; higher if there is little trading volume or liquidity.
 - Note that ETFs that invest in commodities are not registered as investment companies.
- Exchange Traded Notes (ETNs). Although not typically used by SI, they may be when appropriate and suitable, specifically for US government agency notes. An ETN is a senior, unsecured debt obligation designed to track the total return of an underlying index or benchmark. They can be linked to a variety of assets, commodity futures, currencies, or equities. ETNs are listed on an exchange, however, they are not a mutual fund and do not have a net asset value. The ETN trades at the prevailing market price with a bid and ask. ETNs have several risks. First, the repayment of principal, interest (if any), and the payment of any returns at maturity or upon redemption are all based upon the issuer's ability to pay. Additionally, a downgrade in the issuer's credit rating may adversely impact the ETN's price. Finally, the correlation between the ETN and any index or variations from the index can also cause additional risks.
- Leveraged and Inverse ETFs and ETNs. Leveraged securities such as ETFs and ETNs sometimes labeled as "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically daily.

- Inverse products are designed to replicate the opposite of the return, meaning “short” the index, typically daily. These products, due to leverage and inverse replication, are riskier than their traditional counterparts. Although these securities are designed to provide returns that correspond to the underlying index, they may not replicate the performance of the index because of fund costs and other factors. This difference is called “tracking error.” Resetting of returns within the security will add to the tracking error and add to the security’s cost. This creates a risk that the security cannot achieve its objective.
- Compounding returns can also produce a divergence from the underlying index over time, especially for leveraged securities. In volatile markets with large positive and negative swings, return distortions are magnified over time.
- As a result, these securities should be actively monitored, as frequently as daily and are generally not appropriate for medium to long-term holding strategies. To accomplish their objective, these securities use many strategies, including swaps, futures contracts, or other derivatives. These securities may not be diversified, may be based on commodities or currencies, and may have higher costs or expense ratios than traditional ETFs and UITs. They may not be tax efficient either.
- Options: Limited to Covered Calls / Spreads. SI may use a covered call against securities a Client owns to generate additional income. To protect downside risk, we may also purchase put options to balance the option writing. Purchasing put options for securities held in the account is a form of hedging downside risk. Clients should be aware that options increase overall portfolio risks, including tax implications in taxable accounts. Selling a call option on a security may cause that security to be called away, particularly in rapidly rising markets, which results in the account no longer holding the security. When this occurs, the Client receives the strike price of the call. The risk of buying puts is limited to the cost of the premium SI paid on the client’s behalf if the put is not exercised or sold.

SI does not use or permit the following in Portfolio Management Client Accounts:

- Structured Products
- Hedge Fund or Managed Futures
- Variable Annuities
- Margin Accounts
- Check writing or debit cards

We do not represent to any Client, either directly or indirectly, that we can guarantee a level of investment performance or that our professional services will not result in a loss to the Client’s invested assets. As an investment adviser, we attempt to manage risk exposure and to mitigate losses; however, losses cannot be prevented in all cases.

ITEM 9 – DISCIPLINARY INFORMATION

We (Severin Investments, its owner and employees) have no history of legal or disciplinary events to disclose to you as Clients or prospective clients of SI.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Management personnel of our firm and our employees, in their individual capacities, are licensed insurance agents. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering the implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by SI and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Clients are not under any obligation to engage SI's management personnel and employees when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. SI endeavors always to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- We conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for a reasonable and independent basis for the investment advice provided to clients.

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

SI has adopted a Code of Ethics which covers many areas related to our advisory practice, fiduciary obligations to clients, and potential / actual conflicts of interest, among other areas. These include the following:

Personal Securities Trading: We obtain and maintain records of all employees, and their beneficial ownership account personal trade records (in reportable securities

as defined in the Code). These are provided initially upon hire and quarterly thereafter.

Insider Trading Prohibitions: We have in place written procedures as required by Section 204A under the Investment Advisers Act of 1940, prohibitions on the use of material, non-public information (also known as insider trading).

General Prohibited Practices: Since SI is a fiduciary to its clients (we must put your interests before our own), we have adopted a Code of Conduct or Code of Ethics that governs our advisory practice.

The Code of Ethics (Code) requires the following:

1. Disclosure (upon hire and annually thereafter):
 - a. The members of each employee's household
 - b. All brokerage accounts or accounts where reportable securities may be purchased, sold, or held
 - c. All private placement securities
 - d. All non-custodied securities
 - e. All outside business activity
2. Placement of securities on our restricted list which prevents employees from communicating or disseminating any information when SI is in possession of material non-public information on any security. This restriction is not lifted until the information is available generally to the investing public. Although we do not contemplate the possession of material, non-public information, this situation can always occur.
3. We receive and monitor the personal securities transaction reports of our employees, their immediate family members (living in the employee's household), and beneficial ownership accounts (as that term is defined in the Code) to ensure clients' interests are placed first. These records are obtained on a quarterly basis through access to the employee's accounts through LPL, Charles Schwab, or GSCS or, if the assets are held at other custodians, through duplicate confirmations and statements delivered directly to SI and Tess Severin Butler.
4. Requires prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.
5. We maintain required books and records of the Code; employee / beneficial ownership account trading activity.

In addition, we take our role as a fiduciary seriously. We have a high regard for ethical business, full and fair business disclosure, and compliance, generally. We prohibit any activity that puts our interests in front of those of our advisory clients.

SI and its related persons maintain a policy to not recommend to clients or buy or sell securities for client accounts for which SI or its related persons has a material financial interest.

At times, SI's employees may buy or sell the same securities for their personal accounts as those recommended to clients. To avoid a potential conflict of interest, SI maintains a strict policy that employees of SI must work to avoid all activities, investment decisions, and relationships that are contrary to the best interests of clients. Certain employees with access to information about the models' holdings and trades must obtain preclearance before trading any publicly traded stock, ADR, and any of a selected list of mutual funds and ETFs. Moreover, all employees must report personal securities trades to the Chief Compliance Officer for review.

While SI allows employees to purchase or sell the same securities that are recommended and purchased on behalf of Clients, such trades are typically aggregated with client orders or traded afterward.

Our Code of Ethics states that the officers, directors, and employees of SI (related persons) have a fiduciary duty to place the interests of the clients ahead of their own interests and that they must avoid activities, interests and relationships that may interfere with making decisions in the best interests of clients.

If you would like a copy of our Code of Ethics, please contact Tess Severin Butler, CCO, at (314) 983 - 2707.

ITEM 12 – BROKERAGE PRACTICES

SI does not maintain custody of your assets, 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.

SI does not have discretionary authority to determine the broker-dealer/custodian Clients use for custody and execution. Therefore, clients must direct SI as to the broker-dealer to be used. SI may recommend that Clients establish brokerage accounts with:

- Charles Schwab & Co., Inc (Charles Schwab or Schwab); and/or
- Goldman Sachs Custody Solutions, a division of Goldman Sachs & Co. LLC (GSCS)

Schwab and GSCS are independent and unaffiliated SEC-registered broker/dealers, and members of FINRA/SIPC. Each offer services to independent investment advisors which include custody of securities, trade execution, clearance, and settlement of transactions. SI receives some benefits from these firms through its participation their programs available to investment advisers. These firms serve as your “qualified custodian” (see Item 14).

While SI may recommend that a Client use a particular custodian, it is the Client's decision to do so.

In recommending and requiring you to evaluate, select and direct brokerage to Schwab or GSCS, we have evaluated the services provided to us and our Clients. In that evaluation, we have determined that these brokers provide an excellent blend of services and commission costs,

(including no-cost for custodial services), along with other benefits. Our review and assessment of these brokers (and other broker / custodians) included, but were not limited to:

- Advisory service programs
- Commission charges, execution, clearance and settlement of transactions
- Ability to block trade
- Reputation and financial strength
- Free custody services for Clients
- No-transaction fee funds (mutual funds and ETFs)
- Access to institutional shares of no-load or load-waved mutual funds
- Duplicate confirmations and reports
- Dedicated trading desks / electronic trading
- Operational support (typically back office related services)

Directed Brokerage:

When you determine to utilize Schwab or GSCS (“broker”), we then require you to “direct” us to place all transactions for your account at the broker. As a result, we do not evaluate other brokers, dealers or custodians for your account transactions.

This “directed brokerage” requirement is due, in part, to the types of securities we purchase, sell and hold for client accounts (see Items 4 and 5).

In your selection of a broker (and your direction for us to use a particular broker for account transactions), please be aware of the following:

In requiring the use of a particular broker-dealer as your directed broker, we are unable to seek out other brokers or dealers for your account transactions, or to negotiate commissions or transaction costs. As a result, you may pay higher prices through directed brokerage; when compared to investment advisers who have the brokerage discretionary authority to select the broker and negotiate prices on a transaction-by-transaction basis. As a result, best execution for your transactions may not be achieved. Please note that best execution is not a defined term. It is comprised of several factors which equate the best overall execution for a particular transaction (price, commission, timing, etc.) based on the then current facts and circumstances.

Our portfolio management clients are unable to engage in directed brokerage with GSCS. We do not direct which executing broker should be selected by GSCS for client account trades. GSCS is unique in that it offers trading in fractional shares. To do this, GSCS may act in a principal capacity.

Ticket Charges & Trading Activity in Wrap Fee Accounts –Conflict of Interest:

When managing a client's account on a wrap fee basis at Charles Schwab, we receive as compensation for our investment advisory services, the balance of the total program fee you pay after custodial, trading, and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial

incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

For example, our wrap fee arrangement creates incentives for our firm to select investments that reduce our costs, and in some cases increase expenses that are borne by the client.

We are available to discuss Schwab's execution related pricing with you so that you can compare the total costs of entering a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately.

This same conflict does not exist at GSCS because of our negotiated asset-based pricing for transactions, which keeps our trading costs constant regardless of the number of transactions.

Other Fees / Expenses:

Clients receive confirmations of security transactions directly from the Client's broker, which may include miscellaneous fees which are not paid by SI. These fees may include:

- Exchange fees (charged by the New York Stock Exchange)
- SEC fees
- Wire transfer or similar fees
- Express mail fees
- Others

Confirmations of Transactions: You will receive, directly from your broker, a confirmation of each transaction we place on your behalf as your registered investment adviser. Your broker will provide these confirmations directly to you via US Postal Service or electronically as you may elect with your broker. Your broker also provides SI with a copy of all confirmations for information and reconciliation purposes.

Custodial Reports: In addition, you will typically receive a monthly custodial report directly from your broker on your account(s). This report will reflect all current positions, and all transactions, including debits and credits made to your account(s) during the time period. Your broker sends these directly to you either via US Postal Service or electronically, with copies provided to us through electronic means.

Trading Activity – Ticket Charges

If your account is not within our Wrap Fee Program, a ticket charge may be generated whenever we place a transaction for your account at Schwab or GSCS. Schwab has eliminated many transaction fees, but still charges them on ADRs and certain other securities. Rather than generating ticket charges, GSCS charges the client an asset-based fee to cover unlimited window trading, and ticket charges for direct trades. Severin Investments does not cover ticket charges generated outside of our wrap fee program. The custodian debits this cost from the client's account.

For Clients subject to ERISA:

In selecting and directing us to place all transactions for your account(s) at a particular broker, you have independently evaluated the broker and, as the plan fiduciary, have determined that the selection and directed brokerage to the broker is in the best interests of the Plan and the Plan's participants.

You have also evaluated and will continue to evaluate the brokerage and execution services provided by your broker to ensure they are reasonable considering the services provided to the Plan and its Participants.

Trade Errors:

At times, an error may occur in a Client account that results in a loss or a profit. If SI caused the error, we will correct the error and make your account whole in the case of a loss in your account(s). If your broker/custodian caused the error, the error will be corrected, and your account will be made whole by the broker/custodian if the error resulted in a loss.

If the error results in a gain in your account, the error will be corrected; your broker will retain the error and place the amount in the broker's error account. SI does not participate, directly or indirectly in activity related to your broker's error account.

We maintain records of all errors, including the original trade ticket, trade date, error correction date (cancel/rebill transactions), identification of who caused the error and the results of the error (profit or loss).

If the error is caused by another party (other than SI), the party(ies) that caused the error has the responsibility to make the impacted Client(s) whole. If there is shared responsibility for the error, including SI, each party involved will pay their pro-rated portion of the error (in the case of a loss).

Prohibited Brokerage Practices:

SI does not utilize or participate in the following prohibited brokerage practices:

- Soft dollar services
- Cross transactions or agency cross transactions
- Principal transactions
- Directed brokerage to pay for Client referrals: SI does not have brokerage discretionary authority; therefore, we do not have the ability to pick brokers or negotiate commissions for any Client. As a result, we require Clients to direct us, in writing, to use a specific custodian / broker or dealer for your transactions.

Soft Dollars

SI currently does not maintain any arrangements with broker-dealers or third parties for "soft dollar benefits" in connection with client securities transactions.

SI may receive benefits for maintaining a certain dollar threshold of client assets at a given custodian. Unlike soft dollar benefits, these benefits do not depend on the amount of brokerage transactions directed to the custodian. SI may receive some or all the benefits listed below:

- access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payments of SI's fees
- assist with back-office functions, record keeping, and client reporting
- research related products and tools
- technology, compliance, legal, and business consulting
- access to educational conferences and events
- access to publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

Some of these products and services benefit SI and do not directly benefit client accounts. This is a potential conflict of interest. SI manages this potential conflict of interest by periodically comparing the fees charged and services offered by its custodians with those offered by other custodians.

Block Trading

We will block trade where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block (if applicable).

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker. Our block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with SI's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit and will enable SI to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective.

Best execution includes the duty to seek the best quality of execution, as well as the best net price.

- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) SI's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on SI's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Our firm does not aggregate purchases and sales for various client accounts at GSCS. However, orders are aggregated by GSCS as part of its patented "Window Trade" process. Instead of executing immediately, GSCS Window orders are processed and executed at 10:00 a.m. ET and 1:00 p.m. ET. In the Window Trade process, GSCS aggregates orders designated for trading in the Window based on the ticker symbol of each security and whether it is a buy or sell order. An aggregated order may include any combination of orders from your accounts, other customer accounts, and GSCS's firm account. GSCS generally routes aggregated orders to a market maker for execution or to a mutual fund company for fulfillment. GSCS may also execute Window orders entirely by using its own inventory of securities. All GSCS customers receive the same execution price for any given Window trade.

Trade Rotation

SI places trades in managed accounts using the, Charles Schwab, LPL and GSCS custodians. SI implements a trade rotation, starting with a different custodian each month in the following order: Charles Schwab, and LPL. However, SI executes trades at GSCS last due to the trading window rules. This trading order promotes consistency and accuracy, especially when trading many different securities within a model.

Trades executed at one custodian may receive a better or worse price than trades executed at other custodians due to fluctuating market prices.

Trading signals will be communicated to TAMP clients after SI has placed all trades for investment management clients. TAMP clients may receive better or worse pricing than those of investment management clients.

ITEM 13 – REVIEW OF ACCOUNTS

Portfolio Management / Discretionary Clients:

Account/portfolio reviews are conducted periodically to confirm that performance is consistent with our expectations, our model portfolios and Client's IPS. The frequency and scope of the reviews depends on several factors, including but not limited to:

- Contributions or withdrawals of cash from an account
- Change in the investment restrictions or investment objectives
- Client requests, such as tax-loss harvesting
- Questions regarding performance or structure
- Dramatic market or world events

Due to the customized nature of our services, reviews are conducted informally on a continual basis by monitoring our securities held, the models and transactions, and other factors.

We review all accounts at least on a yearly basis. A more frequent review may be conducted when you alert us to a change in your personal or family obligations. We request that you contact us should any changes occur in your personal financial situation which may impact the investment management services we provide to you.

Retirement Plans: Assets in defined contribution plans managed by Severin Investments are monitored by Jeffrey Severin and Tess Severin Butler. Trustees/Sponsors of defined contribution plans receive an annual summary report on the performance of plan assets.

Financial Plans, Estate Plans, and 401k Consulting: reviews as described are not applicable. However, we are available to review plans or 401k consulting as requested by each Client.

Reviewers:

Our investment professionals, led by Jeffrey Severin and Tess Severin Butler, review all Client accounts. There are no limits on the number of reviews conducted or assigned to the investment professionals.

Reports:

SI will issue quarterly reports to our Clients. The reports are issued to our private clients and are placed on our online portal. They will be mailed only to clients that elect to receive the quarterly report by mail. They include performance of your account on a time weighted basis and are intended to inform you as how your investments have performed for the time period. For an additional fee, SI may also generate these reports for accounts we sub-advise at the request of the advisor. In this case, the reports are sent directly to the advisor, and it is his/her responsibility to disseminate them to his/her clients.

These reports are in addition to your monthly (or quarterly) custodial reports issued directly to you by the custodian.

Clients have access to their portfolio(s) via their custodian and through Severin Investments' client portal. In addition, you may elect with your custodian to receive information via electronic means only or through paper confirmations or statements.

Reports are not applicable to financial planning (comprehensive or limited) unless requested or contracted for separately. Reports are not applicable to the 401k consulting services as the assets are held by the plan's custodian or administrator.

Notice for all Clients:

SI encourages each Client to review the custodian's statement for the fee charged each billing cycle and compare confirmations of transactions with your custodial reports. If you have any questions on the information provided by your custodian, please contact SI.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**Client Referrals:**

SI currently has no client referral agreements.

Solicitors:

Our firm may pay referral fees to independent persons or firms ("Solicitors") to introduce clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- that the endorsement was provided by someone other than a current client;
- that cash compensation was provided in exchange for the endorsement;
- a brief statement of material conflicts on the part of the person providing the endorsement, resulting from their relationship with SI;
- the material terms of the compensation arrangement, including a description of the compensation to be provided to the person for making the endorsement;

As a matter of firm practice, SI does not charge higher advisory fees to clients referred by Solicitors.

Additional Compensation:

Custodians

As disclosed under Item 12, above, SI participates in Charles Schwab's institutional customer program and SI may recommend Schwab to Clients for custody and brokerage services. There is no direct link between SI's participation in the program and the investment advice it gives to its Clients, although SI receives economic benefits through its participation in the program that are typically not available to Schwab retail investors.

As disclosed under Item 12, SI may also recommend GSCS as broker/custodian. Please see Item 12 for more details about SI's relationship with Schwab and GSCS.

Gifts/Non-Cash Compensation

SI and its associated persons may receive additional non-cash compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$200 annually. It may also include an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that may be attended by SI's employees.

ITEM 15 – CUSTODY

Investment Advisory Fees

SI deducts investment advisory fees directly from client accounts, which is the only form of custody we maintain. The investment advisory fees will be deducted from our clients' custodial account(s) and paid directly to SI by the qualified custodian(s). Clients will authorize the qualified custodian(s) of their account(s) to deduct fees from their account(s) and pay such fees directly to SI.

As part of the billing process, the qualified custodian is advised of the amount of the fee to be deducted from the clients' account(s). On at least a quarterly basis, the custodian is required to send each client a statement showing all transactions within the account during the reporting period.

It is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

ITEM 16 – INVESTMENT DISCRETION

As indicated under Item 4, SI has investment discretionary authority with respect to portfolio management services for Client accounts. You provide us with discretionary authority in the written agreement you have with us.

Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

ITEM 17 - VOTING CLIENT SECURITIES

SI does not accept the authority or responsibility to vote proxies on behalf of any Portfolio Management Client. This is not applicable to 401k Consulting or Planning.

You retain the right to vote your portfolio's proxy materials as you receive them directly from your custodian.

In addition, SI does not vote on or accept any authority to vote or process class action settlement claims (or other corporate actions) on your behalf. You retain responsibility for the receipt and voting of class action settlement claims for all securities held in your accounts.

Proxy Voting Obligations for Institutional Retirement Plans

As a fiduciary with special responsibilities under ERISA, SI will exercise proxy voting authority for 401(k) Plans it manages when the plan's holdings in the relevant issuer are greater than 10% of plan assets. This is because the size of the plans SI manages are sufficiently small that voting would not materially reflect the results of the vote, and therefore would not materially affect investment performance.

ITEM 18 – FINANCIAL INFORMATION

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. SI has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees greater than \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

SEVERIN INVESTMENTS, LLC PRIVACY DISCLOSURE

Severin Investments treats our Client relationships in a confidential manner. We safeguard and protect all non-public personal information that we have on file for you.

This may include the following information:

- Names
- Net Worth
- Addresses
- Account Numbers
- Dependents
- Birth Dates
- Income & Tax Status
- Social Security Number
- Phone Numbers
- Portfolio holdings and Transactions
- Other information that is not publicly available

We do not share your information with any third party, except as may be required by Federal or State law or to provide those advisory services for which you have contracted with us.

We believe the confidentiality of your private information is a foundation of our trust and sound business practice. To that end, we restrict access to your confidential personal information to those who need access to that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to comply with federal standards to guard your confidential personal information.

Safeguards employed to protect your non-public information include:

- Data back-up and storage
- User id and logins for each of our employees
- Two-factor authentication for computer access
- Restrictions on employee access to data
- Other technology solutions as deemed necessary and appropriate.

BECAUSE WE DO NOT SHARE YOUR INFORMATION, THERE IS NO OPPORTUNITY FOR YOU TO RESTRICT OUR USE OF YOUR DATA OR OPT-OUT. WE PROVIDE THIS PRIVACY DISCLOSURE TO YOU AT THE INCEPTION OF YOUR RELATIONSHIP WITH US, AND ANNUALLY THEREAFTER. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (314) 983 2707 OR VIA EMAIL TO INFO@SEVERININVESTMENTS.COM.