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Chief Compliance Officer

**FORM ADV PART 2A APPENDIX 1 – WRAP FEE PROGRAM BROCHURE  
MARCH 1, 2024**

This brochure provides information about the qualifications and business practices of Marshall Investment Management, LLC (Marshall Investment). If you have any questions about the contents of this brochure, please contact us at 303-991-6415. 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. Marshall Investment is a Registered Investment Adviser. Registration as an Investment Adviser with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Marshall Investment Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To find information about our Firm, you may search this site by using an Investment Adviser Registration Depository (IARD) number. The IARD number for Marshall Investment is IARD# 174817.

## ITEM 2 – MATERIAL CHANGES

### **SUMMARY OF MATERIAL CHANGES**

This section of the brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

There have been no material changes since our last annual amendment on February 1, 2023.

Currently, a free copy of our brochure may be requested by contacting Sharon Evans, Chief Compliance Officer of Marshall Investment, at 303-991-6415 . The brochure is also available on our web site [www.investwithmarshall.com](http://www.investwithmarshall.com).

We encourage you to read this document in its entirety.

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## ITEM 4 – SERVICES, FEES & COMPENSATION

We offer a wrap fee program as described in this Wrap Fee Program Brochure. A wrap fee program is generally considered any arrangement under which clients receive investment advisory services and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. All our investment management clients will be offered the wrap fee program structure that includes, as a single fee, the securities transaction costs, if any, for trading in Client accounts along with the investment advisory fees earned by our firm. Our firm receives a portion of the wrap fee for the services rendered. While traditional Wrap Fee Programs are often rigid, pre-packaged investment programs, our firm customizes its investment strategies individually for its Clients. Prior to receiving services through the Program, clients are required to enter into a written agreement with our firm setting forth the relevant terms and conditions of the investment advisory relationship (the “Agreement”).

### OUR WRAP ADVISORY SERVICES

The Advisor Managed Portfolios (AMP) Platform is a custom-designed portfolio that is professionally managed by our Firm to meet the client’s financial goals and objectives. We manage advisory accounts on a discretionary basis. Once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent, but within the expected investment guidelines. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among individual stocks, bonds, exchange-traded funds (ETFs), and open-end mutual funds. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored and, if necessary, rebalanced based upon the client’s individual needs, stated goals, and objectives.

During the initial meeting with a client, we determine the client’s objectives, time horizon, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on a client needs, we develop a personal profile and investment plan for the client. We then create and manage the client’s investments based on that profile and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined investments in a client’s portfolio and have allocated the assets, we provide ongoing investment review and management services.

The advisory wrap fee is made up of several components, and could include supporting services such as:

- Investment Planning Services: Portfolio reviews, asset allocation, time horizon planning, withdrawal strategies, account aggregation, assistance with outside held accounts such as 401(k)’s, investment policy, stock concentration.
- Estate Planning Guidance: Wills, powers of attorney, living will, health care proxy, trusts, irrevocable life insurance trusts, estate taxes, guardians for minor children, charities.

- Retirement Planning Services: Retirement goal setting, social security analysis, cash flow analysis, IRA contributions, and Roth conversions, review of employer-sponsored benefits, annuities, and pensions, Required Minimum Distributions (RMDs) and other withdrawal strategies, self-employed plans, bucket list items.
- Insurance Planning: Review of existing policies, life insurance analysis, long-term care insurance analysis, health insurance review, homeowner's or renter's insurance review, liability coverage, health savings accounts, Medicare advice.
- Cash Flow and Budget: Review of income sources, setting goals, expenses and budgeting, debt management, review of one-time expenses, planned large expenses, emergency funding, dollar cost averaging, mortgage review, and lines of credit.
- Assistance to Loved Ones: Gifting, college planning, caring for the elderly, 529 College Savings Plans, Roth IRAs for children, UGMA/UTMA, advice on establishing trusts.
- Tax planning: Tax sensitive investing, review of cost basis, review of realized gains, carry forward losses, tax loss harvesting, deductions, and credits, potential Roth conversions, Health Savings and Flexible Savings accounts, tax return review.

In our discretionary relationship, we will make changes to the portfolio as we deem appropriate to meet client financial objectives. We trade these portfolios based on the combination of our market views and client objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that our clients' portfolios are managed in a manner consistent with their individual needs and objectives. Clients have the option to leave standing instructions with our Firm to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, clients have a direct and beneficial interest in their securities, rather than an undivided interest in a pool of securities. We have limited authority to direct the custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from clients.

Where appropriate, we also provide advice about certain types of legacy positions held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian such as variable life insurance, annuity contracts, and assets held in employer-sponsored retirement plans, or qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This may result in capital losses in your account.

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#### **LPL FINANCIAL SPONSORED ADVISORY PROGRAMS**

We may provide advisory services through certain programs sponsored by LPL Financial LLC (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to our Firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments

available in the programs, and the potential conflicts of interest presented by the programs, please see the program account packet (which includes the account agreement and LPL Form ADV Program Brochure), and the LPL Form ADV, Part 2A, or the applicable program.

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**MODEL WEALTH PORTFOLIOS PROGRAM (MWP)**

MWP offers clients a professionally managed mutual fund and ETF asset allocation program. Our Firm will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program, and assist the client in setting an appropriate investment objective. We will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department or third-party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio, and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs, and to liquidate previously purchased securities. The client will also authorize LPL to perform rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected as well as the account's allocation among the portfolios. Minimums per portfolio typically range from \$5,000 to \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

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**RELATIVE COST OF THE PROGRAM**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Clients do not pay brokerage commissions, markups, or transaction charges for execution of transactions in addition to the advisory fee. Our firm will pay the Custodian for each trade or transaction. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed trades when the transaction-based option is selected. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by always acting in the client's best interest.

Our Firm charges a fee as compensation for providing investment management services in your account(s). These services include advisory services, transaction costs, trade entry, investment supervision, and other account maintenance activities. Our recommended custodian may charge custodial fees, redemption fees, retirement plan and administrative fees, or commissions. See the Additional Fees and Expenses section below for details.

A quarterly investment management fee is billed in advance based on the quarter-ending balance of the previous month. Our maximum annual advisory fee is 1.50%. Please note that fees will be adjusted for deposits and withdrawals made during the quarter. If accounts are opened during the quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle. The relevant fee and billing method is defined and agreed to by our Firm and the client in the executed Investment Advisory Agreement. This fee is debited directly from your investment account. Additional fees and expenses you may incur include United States Securities and Exchange Commission (SEC) fees, mutual fund/ETF expense ratio fees, tax withholding on certain foreign securities, postage fees, wire fees, bank charges, and other administration fees as authorized by you.

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## **OTHER TYPES OF FEES & EXPENSES**

In addition to the advisory fees paid to our Firm, you may also incur charges imposed by other third parties such as broker-dealers, custodians, trust companies, banks, and other financial institutions. These additional charges may include custodial fees, charges imposed by a mutual fund or ETF as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Neither our Firm nor any of our supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Some of our Investment Adviser Representatives (IARs) of the Firm are licensed insurance agents registered with various state(s) insurance departments. IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of performing insurance transactions for clients of Marshall Investment.

## **ITEM 5 – ACCOUNT REQUIREMENTS & TYPES OF CLIENTS**

We provide investment advice to individuals, high net worth individuals, foundations, retirement plans, charitable organizations, trusts, and estates.

Our Firm does not require a minimum account value.

## **ITEM 6 – PORTFOLIO MANAGER SELECTION & EVALUATION**

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### **PORTFOLIO MANAGER SELECTION**

Our firm utilizes our in-house portfolio managers as well as a selection of outside portfolio managers. In-house accounts are managed by licensed Investment Adviser Representatives (IARs) of our Firm. Prior to becoming licensed with our Firm, each IARs industry experience, licensure, outside business activities, client complaints (if any), disciplinary or regulatory history (if any), and financial well-being will be reviewed. Outside portfolio managers, either individually or firm-wide, are selected based on past performance, investment philosophy, market outlook, experience of associated portfolio managers and executive team, disciplinary, legal and regulatory histories of the firm and its associates, and/or whether compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, and/or anti-money laundering.

Performance returns of wrap portfolios are reviewed at least quarterly. The nature of these reviews is to assess whether client accounts are in line with their investment objectives and appropriately positioned based on market conditions. If these standards fall below the client objectives, our firm will discuss the findings with the portfolio manager to realign the investment strategy. Our firm reviews performance information to consistently verify its accuracy. Please see Item 6A (1) for more information.

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### **RELATED PERSONS**

Our Firm's Investment Adviser Representatives serve as the portfolio manager for the services under this Wrap Fee Program. We only manage this wrap fee program and we do not act as portfolio manager for any third-party wrap fee programs.

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## **SUPERVISED PERSONS**

Our Investment Adviser Representatives serve as the portfolio manager for the Wrap Fee Program described in this Wrap Fee Program Brochure. Please refer to the Items 4 and 8 of the Part 2A Disclosure Brochure for details on the services provided by our Firm. For information related to the background of our supervised persons, please see Items 9 and 11 of the Part 2A Disclosure Brochure.

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## **ADVISORY BUSINESS**

Refer to Item 4 of this Wrap Fee Brochure for information about our wrap fee advisory program.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

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## **PARTICIPATION IN WRAP FEE PROGRAMS**

Our Wrap Fee Program is managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

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## **PERFORMANCEBASED FEES & SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (performance-based fees), nor engage side by side management.

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## **METHODS OF INVESTMENT ANALYSIS**

Investment analysis is a comprehensive term. As a result, it includes a wide variety of calculations and assessments that analyze market trends, economic conditions, investments, and financial industries. Our advisors may use multiple metrics including past returns, yield potential, price movement, and more to help them make investment decisions.

With a variety of financial information available, there are several methods or a combination of methods our advisors may use. Investment analysis can be divided into a few main categories:

### **Bottom-Up Analysis**

Bottom-up Analysis focuses on individual investments. Investments are analyzed based on their products, market share, and cost benefit rather than the overall trend of the market. This analysis attempts to choose the best investments regardless of macroeconomic conditions.

### **Top-Down Analysis**

Top-down Analysis examines the macroeconomics, market, and industry trends before evaluating individual investment decisions. The macro analysis and forecasts will then drive tactical investment decisions and opportunities.

### **Technical Analysis**

Technical Analysis is a methodology for forecasting the direction of investments through studying the trends and drivers that are moving the markets and economy. Technical Analysis focuses on statistical data gathered from trading activity; it's based on the actual price of the stock, not the financial strength of the company, industry, or economy.

### **Fundamental Analysis**

Fundamental Analysis is based on the fundamental facts about the investment such as sales, revenue, expenses, and dividends. Fundamental Analysis includes metrics such as earnings per



share (EPS), dividend yield, price to earnings (P/E) ratio, and return on equity. It also considers the overall state of the economy and factors including interest rates, production, employment, gross domestic product (GDP), housing, manufacturing, and management.

### **Asset Allocation Strategies**

Asset Allocation is the implementation of an investment strategy that attempts to balance risk and reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals, and investment time frame. Asset allocation is based on the principle that various asset classes perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated; hence, diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced if correlations are not perfect, it is typically forecasted based on statistical relationships that existed over some previous period.

An asset class is a group of economic resources sharing similar characteristics such as risk and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks, bonds, and cash. These asset classes can then be further divided into subcategories. For example, stocks can be divided into subcategories such as growth stocks, value stocks, large company stocks, midsize company stocks, small company stocks, developed foreign stocks, and emerging market stocks. Bonds can also be divided into subcategories such as government bonds, corporate bonds, investment grade bonds, high-yield bonds, short-term bonds, intermediate-term bonds, long-term bonds, domestic bonds, foreign bonds, and emerging market bonds. Cash and cash alternatives can include money markets, certificates of deposit (CD's), and cash sweep accounts. Allocation among these three traditional asset classes provides a starting point. Other alternative assets that may be considered include commodities, commercial or residential real estate (REITs), derivatives such as long-short or market-neutral strategies, and private equity strategies.

There are several types of asset allocation strategies based on desired investment goals, risk tolerance, time horizon, and diversification. The most common forms of asset allocation fall into the following categories:

#### **Strategic Asset Allocation**

The primary goal of a Strategic Asset Allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. These strategies are agnostic to economic environments, meaning they do not change their allocation postures relative to changing market or economic conditions.

#### **Dynamic Asset Allocation**

Dynamic Asset Allocation is like Strategic Asset Allocation in that investment portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.

## **Tactical Asset Allocation**

Tactical Asset Allocation is a strategy in which an investor takes a more active approach that attempts to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like a strategic or dynamic portfolio, tactical strategies are often more actively traded and are free to move entirely in and out of their core asset classes.

Core-Satellite Allocation Strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, Core-Satellite Allocation Strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

## **Short-Term Trading for Tax-Loss Harvesting**

Tax-Loss Harvesting is a strategy that may help investors minimize taxes they may owe on capital gains or their regular income. It may also improve overall investment returns. As a strategy, tax-loss harvesting involves selling an investment that has lost value, replacing it with a reasonably similar investment, and then using the investment sold at a loss to offset any realized gains.

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## **INDEPENDENT THIRD-PARTY MONEY MANAGER (TPMM) SERVICES**

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and TPMM firms. The goal is to identify a client's risk tolerance, then find a manager with the maximum expected return for that level of risk.

We examine the experience, expertise, investment philosophies, and past performance of independent TPMMs to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a TPMM who has been successful in the past is that they may not be able to replicate that same success in the future. In addition, as we do not control the underlying investments in a manager's portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

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## **RISK OF LOSS**

A client's investment portfolio is affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws, and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Marshall Investment will assist

clients in determining an appropriate strategy based on their tolerance for risk, investment goals, and investment time horizon.

Each client engagement will include a review of the client's investment goals, financial situation, time horizon, tolerance for risk, and other factors to develop an appropriate strategy for managing their account(s). Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a client's account(s). Marshall Investment relies on the financial and other information provided by the client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the client to inform Marshall Investment of any changes in financial condition, goals, or other factors that may affect this analysis.

Our investment methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other available public sources of information about these securities and are providing accurate and unbiased data. We are aware of indications that data may be incorrect, and there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

- **MARKET RISK** - even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Since the value of investment portfolios will fluctuate, there is the risk that your investment may be worth more or less upon liquidation.
- **MANAGEMENT RISK** - An account is subject to the risk that judgments about the attractiveness, value, or potential appreciation of the account's investments may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, the account could underperform other accounts with similar objectives and investment strategies.
- **FOREIGN SECURITIES AND CURRENCY RISK** - investments in international and emerging-market securities are exposed to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - small and mid-sized companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - in a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **SECURITIES LENDING RISK** - securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or

the value of the investments made with the cash collateral falls. These events could also trigger adverse tax consequences for the fund.

- **EXCHANGE-TRADED FUNDS (ETF)** - ETFs face market trading risks, including the potential of an inactive market for those shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **PERFORMANCE OF UNDERLYING MANAGERS** - we select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of these funds to select individual investments in accordance with their stated investment strategy.
- **CYBERSECURITY RISK** - in addition to the material investment risks listed above, investing involves various operational and cybersecurity risks. These risks include both intentional and unintentional events at our firm or one of our third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, because different or unknown threats may emerge in the future. There is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

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#### **VOTING CLIENT SECURITIES**

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. You may contact our office by phone with questions about a solicitation at 303-991-6415.

Third-party money managers (TPMMs) selected or recommended by our firm may vote proxies on your behalf. Other than when a TPMM votes proxies on your behalf, you maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by you shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other events pertaining to your investment assets. Also, other than when a TPMM votes proxies on your behalf, our Firm and/or you shall instruct your qualified custodian to provide copies of all proxies and shareholder communications to you relating to your investment assets.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER(S)

Our Firm is required to describe the type and frequency of the information it communicates to external managers that may be involved in managing its Clients' investment portfolios. Marshall Investment Management, LLC serves as the sole portfolio manager under this Wrap Fee Program and, as such, we have no information to disclose regarding this Item.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGER(S)

Our Firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

## ITEM 9 – ADDITIONAL INFORMATION

All the information disclosed in Item 9 is for Wrap Fee Clients.

### DISCIPLINARY INFORMATION

We do not have any legal, financial, or other disciplinary items to report.

### FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

**Insurance:** Some of our Investment Adviser Representatives (IARs) of the Firm are licensed insurance agents registered with various state(s) insurance departments. IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of performing insurance transactions for clients of Marshall Investment. Commissions generated by insurance sales do not offset regular advisory fees. Our firm may have an incentive to recommend insurance products and this incentive may create a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether to engage the insurance services offered by our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through any licensed insurance agent not affiliated with our Firm. We recognize and uphold the fiduciary responsibility to place the client's interests first and have established policies in order to avoid any conflicts of interest.

**Broker Dealer:** Marshall Investment is not a broker-dealer; however, our Investment Adviser Representatives (IARs) are registered representatives of LPL Financial, LLC (LPL), a full-service broker-dealer, member FINRA/SIPC, which compensates them for performing securities transactions. When placing securities transactions through LPL as registered representatives, they may earn sales commissions. The IARs are dually registered with LPL and Marshall Investment, and LPL has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. LPL and Marshall Investment are not affiliated companies. IARs of Marshall Investment spend a portion their time in connection with broker-dealer activities.

As a broker-dealer, LPL engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Marshall Investment or its IARs, investments in securities may be recommended to clients. If LPL is selected as the broker-dealer, LPL and its registered representatives, including IARs of Marshall Investment, may receive commissions for executing securities transactions.

You are advised that if LPL is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker-dealers.

You should note, however, that you are under no obligation to purchase securities through IARs of Marshall Investment or LPL.

Under the rules and regulations of FINRA, LPL has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require LPL to coordinate with and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than LPL. Accordingly, LPL may limit the use of certain custodial and brokerage arrangements available to clients of Marshall Investment. As a paying agent of Marshall Investment, LPL may collect the investment advisory fee remitted to Marshall Investment by the account custodian. LPL may also charge an administrative fee to our Firm. This charge will not increase the advisory fee you have agreed to pay Marshall Investment.

In their capacity as registered representatives of LPL, or as agents appointed with various life, disability or other insurance companies, IARs of Marshall Investment receive commissions, fee trails, or other compensation from the respective product sponsors and/or as a result of performing securities transactions for clients. However, clients should note that they have the right to decide whether to purchase investment products through Marshall Investment's representatives.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees may create conflicts of interest that may affect the objectivity of the Firm and these individuals when making advisory recommendations. At all times our Firm strives to put the interests of our clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps, among others, to address these conflicts:

We disclose to clients the existence of all potential material conflicts of interest.

- We disclose to clients that they have the right to decide whether to purchase recommended investment products from our employees.
- We collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- Our Firm conducts ongoing reviews of each client advisory account to verify that all recommendations made to a client are in and continue to be in the best interest of 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 potential conflicts of interests in these activities are properly addressed and disclosed.
- We periodically monitor these outside employment activities to verify that any potential conflicts of interest continue to be properly addressed and disclosed by our Firm.
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Our Firm does not have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

Our firm and any of its management persons are not registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

## **Brokerage Practices**

We have a relationship with LPL Financial (LPL), member FINRA/SIPC, that acts as a custodian for your account. LPL is an independent and unaffiliated broker-dealer, registered with the U.S. Securities and Exchange Commission (SEC). LPL offers services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. We may recommend that you establish an account(s) with LPL to maintain custody of your assets and to perform trades in your account(s). Some of the products, services, and other benefits provided by LPL may benefit our Firm and may not benefit you or your account(s). Our recommendation/requirement that you place assets with LPL may be based in part on benefits LPL provides to us, and not solely on the nature, cost, or quality of custody and execution services provided by LPL.

We are independently owned and operated; Marshall Investment is not affiliated with LPL. LPL provides to us access to their institutional trading and custody services. These services include brokerage, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

In the event you request that we recommend a broker-dealer custodian for execution and/or custodial services, we generally recommend that your account be maintained at LPL. You have the right to decide whether to act upon our recommendations; you also have the right to act upon placing transactions through the custodian we recommend. Our recommendation is generally based on the custodian's fees, skills, reputation, dependability, and compatibility with the client. You may be able to obtain lower commissions and fees from other broker-dealers where the value of products, research, and services provided to our Firm was not a factor in selecting the broker-dealer.

LPL's execution quality may be different than other broker-dealers or custodians.

For our client accounts maintained in custody with one of these custodians, the custodians generally do not charge separately for custody but are compensated by account holders through 12b-1 fees and ticket charges.

The outside custodians we utilize offer other products and services that may benefit us but may not benefit your account(s) in every case, also known as soft dollars. Some of these other products and services assist us in managing and administering your account(s). These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping, and reporting.

Many of these services may be used to service all or a substantial number of our accounts. The custodians also offer other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and

marketing. In addition, the custodians may offer, arrange, and/or pay for these services rendered to us by third- parties. The custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

Our recommendation that you maintain your assets at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by the custodian. While this may create a potential conflict of interest, our IARs strives at all times to put the interest of our clients first as a part of their fiduciary duty.

#### *Transition Assistance Benefits*

LPL Financial provides various benefits and payments to dually registered persons that are new to the LPL Financial platform. These benefits and payments are designed to assist the representative with the costs (including lost revenue) associated with transitioning their business to the LPL Financial platform (collectively referred to as “Transition Assistance”). This Transition Assistance is intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to the dually registered person’s business, satisfying any outstanding debt owed to the dually registered person’s prior firm, offsetting account transfer fees payable to LPL Financial as a result of the dually registered person’s clients transitioning to LPL Financial’s custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support, and termination fees associated with moving accounts. The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the dually registered person at [his/her] prior firm. These payments are generally based on the size of their business established at their prior firm, and/or assets under custody with LPL Financial. Please refer to the applicable Part 2B brochure supplement for more information about the specific Transition Assistance your representative may have received.

Transition Assistance and other benefits are provided to associated persons of our Firm as registered representatives of LPL Financial. The receipt of Transition Assistance by our dually registered persons may create potential conflicts of interest relating to the Firm’s advisory business because it may create a financial incentive for our representatives to recommend that clients custody their accounts with LPL Financial. In certain instances, the receipt of these benefits is dependent on a dually registered person maintaining its clients’ assets with LPL Financial; therefore, our Firm may have an incentive to recommend that clients custody their account(s) with LPL Financial in order to generate these benefits.

Our Firm always strives to mitigate these potential conflicts of interest by evaluating and recommending that clients use LPL Financial’s services based on the benefits that these services provide to our clients, rather than the Transition Assistance received by any particular dually registered person. Clients should be aware of this potential conflict and take it into consideration when deciding whether to custody their assets with LPL Financial.



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## **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

We may aggregate transactions if we believe that aggregation is consistent with our duty to seek best execution for our clients, is consistent with the disclosures made to clients, and consistent with the terms defined in the Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on any given business day. We will aggregate trades for ourselves or our associated persons with client trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker-dealer(s) through which such transactions will be placed.
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution for you (including the duty to seek best price) and is also consistent with the terms of our Investment Advisory Agreement.
3. No advisory client will be favored over any other client. Each client that participates in an aggregated order will participate at the average share price for all transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction.
4. If the aggregated order is filled in its entirety, it will be allocated among clients in a pro-rata strategy; if the order is partially filled, the accounts will receive the fill on a pro-rated basis.
5. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.
6. Individual advice and treatment will be given to each advisory client.

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## **BROKERAGE FOR CLIENT REFERRALS**

Marshall Investment does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

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## **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is always in the best interest of our client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by our Firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the corrected trade, the gain will be donated to charity by the custodian. Our Firm will never benefit or profit from trade errors.

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**DIRECTED BROKERAGE**

We do not routinely require that you direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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**CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or make for your account. This may create a potential conflict of interest; we recognize the fiduciary responsibility to always act in your best interest and have established policies to mitigate conflicts of interest.

One of the ways we mitigate potential conflicts of interest is we have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients by detecting and deterring misconduct, educating personnel regarding the Firm's expectations and laws governing their conduct, reminding personnel that they are in a position of trust and must always act with complete propriety, protecting the reputation of Marshall Investment, safeguarding against the violation of the securities laws, and establishing procedures for personnel to follow so that we may monitor that our personnel are complying with the Firm's ethical principles.

We have established the following restrictions to ensure our Firm's fiduciary responsibilities:

- A director, officer, or employee of Marshall Investment shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public upon reasonable inquiry. No supervised employee of Marshall Investment will prefer their own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings for anyone associated with this advisory practice and with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Marshall Investment.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations that govern registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may perform for themselves or for accounts in which they hold a beneficial interest, any transactions in a security that is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code of Ethics by contacting us at the address, telephone, or email on the cover page of this Part 2A, ATTN: Sharon Evans, Compliance Officer.

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## **REVIEW OF ACCOUNTS**

Our Investment Adviser Representatives (IARs) will monitor client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic events may also trigger reviews.

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## **STATEMENTS AND REPORTS**

The custodian for the individual client's account(s) will provide clients with an account statement at least quarterly. Upon request, clients can receive a prepared written report detailing their current positions, asset allocation, and year-to-date performance provided by our Firm.

You are encouraged to compare the reports provided by Marshall Investment with the account statements you receive directly from your account custodian.

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## **CLIENT REFERRALS & OTHER COMPENSATION**

Our firm does not accept or receive compensation for client referrals.

Marshall Investment and/or its dually registered persons are encouraged to join and remain affiliated with LPL Financial, and to recommend that clients establish accounts with LPL Financial. LPL may offer other compensation to our Firm and its dually registered persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards, and other benefits.

The receipt of this compensation may create a financial incentive for your representative to recommend LPL Financial as the custodian for your advisory account(s). We encourage you to discuss these potential conflicts of interest with your representative before making a decision to custody your account(s) at LPL Financial.

In some circumstances, we may receive expense reimbursements for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

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## **SOFT DOLLARS**

Our Firm does not accept any direct soft dollars.

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## **FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.