

# INSCRIPTION

## C A P I T A L

**INSCRIPTION CAPITAL, LLC**

**FORM ADV PART 2A – DISCLOSURE BROCHURE**

**Item 1 – Cover Page**

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March 28, 2024

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Inscription Capital, LLC (“Inscription”). If you have any questions regarding the contents of this Disclosure Brochure, please contact the Advisor by telephone at (713) 673-8999 or by email at [Contact@inscriptioncapital.com](mailto:Contact@inscriptioncapital.com). The information in this Disclosure Brochure has not been approved or verified by the United States Securities (“SEC”) and Exchange Commission or by any state securities authority.

Inscription Capital, LLC is a registered investment advisor. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about Inscription Capital, LLC is available on the SEC’s website at <http://www.adviserinfo.sec.gov> by searching with our firm name or our CRD # 291780.

## **Item 2 – Material Changes**

Form ADV Part 2 requires registered investment advisors to amend their Disclosure Brochure when information becomes materially inaccurate. If there are any material changes to an advisor's Disclosure Brochure, the advisor is required to notify you and provide you with a description of the material changes.

### Material Changes

The following material changes have been made to this disclosure brochure since the last annual filing and distribution to Clients:

- The Advisor has appointed Sheryl Kotzen as the Chief Compliance Officer.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 291780. You may also request a copy of this Disclosure Brochure at any time by contacting us at (713) 673-8999 or by email at [Contact@inscriptioncapital.com](mailto:Contact@inscriptioncapital.com).

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**Item 4 - Advisory Business****A. Description of the Advisory Firm**

Inscription Capital, LLC (“Inscription” or the “Advisor”) is a limited liability company organized in the State of Delaware. Inscription became an investment advisory firm registered with the U.S. Securities and Exchange Commission (“SEC”) in February 2018. Inscription is wholly owned by Inscription Capital Holdings, LLC. The majority of Inscription Capital Holdings, LLC is owned by BEO Holdings, LLC. Stephan Farber, a Financial Advisor with Inscription, also conducts business under the “doing business as” name Sound Post Capital.

All statements in this Disclosure Brochure, including those made in the present tense, describe the prospective business of Inscription. If you have any questions regarding the contents of this Disclosure Brochure, please contact the Advisor by telephone at (713) 673-8999 or by email at [Contact@inscriptioncapital.com](mailto:Contact@inscriptioncapital.com).

**B. Types of Advisory Services**

Inscription provides holistic and personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, and private foundations (each a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

*Financial Planning and Consulting Services*

Inscription provides a variety of comprehensive financial planning and consulting services to Clients. Such engagements can be part of the investment advisory engagement or pursuant to a separate engagement. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client’s financial goals and objectives. This planning or consulting can encompass one or more areas of need, including, but not limited to cash flow analysis, investment planning, retirement planning, estate planning, personal savings, educational savings, divorce planning, and other areas of a Client’s financial situation.

A financial plan developed for or financial consultation rendered to the Client will typically include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations can be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Inscription can recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Inscription recommends its own services, as such a recommendation may increase the advisory fees paid to Inscription. The Client is under no obligation to act upon any of the recommendations made by Inscription under a financial planning or consulting engagement to engage the services of any such recommended professional, including Inscription itself.

*Investment Management Services*

In designing and implementing customized models and portfolio strategies, Inscription can manage, on a discretionary or nondiscretionary basis, a broad range of investment strategies and vehicles. Inscription primarily allocates Client assets among various mutual funds, exchange-traded funds (“ETFs”), structured products, options, alternative investments, and individual debt and equity securities in accordance with Clients’ stated investment objectives. In addition, Inscription can allocate Client assets among Digital

assets, precious metals, private funds, private equity, closed-end funds, fixed-income, g securities, REITs, private debt, [CD + MMF, cash management], as appropriate given the clients risk tolerance and investment objectives.

Inscription can further recommend to Clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). On a case-by-case basis some Clients will be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the Client’s engagement of the External Manager, or will receive a Statement of Investment Selection in a single contract relationship.

Inscription generally renders services to the Client relative to the discretionary selection of External Managers. Inscription also assists in establishing the Client’s investment objectives for the assets managed by External Managers, monitors and reviews the account[s] performance and defines any restrictions on the account[s]. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated qualified custodian of the Client’s assets, will in addition to, advisory fees charged by Inscription.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client’s best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

*Commodities Pool Investment* – Certain Advisory Persons are also associated persons of Quantor Capital LLC (“Quantor”), a commodity pool operator (NFA ID: 0503326) with the Commodity Futures Trading Commission (“CFTC”). As a part of the Advisor’s Investment Management Services, Advisory Persons can recommend that the Client invest a portion of their assets in Quantor Core Fund, LP, a commodities pool, which will be managed separately by Quantor. The Advisor will not have day-to-day investment supervision over the assets managed by Quantor. Clients are not obligated to implement commodities recommendations provided by the Advisor or its Advisory Persons. Please see *Item 10 – Other Financial Industry Activities and Affiliations* for additional information.

*Betterment Institutional Platform* - Inscription can recommend that certain Clients implement their investment portfolios through Betterment Institutional, a division of Betterment LLC (herein “Betterment Institutional” or the “Investment Platform”). Betterment Institutional is what is often termed a “robo-advisor”, an online wealth management service that provides automated, algorithm-based portfolio management advice. Robo-advisors use technology to deliver similar services as traditional advisors, but generally only offer portfolio management and do not get involved in a Client’s personal situation, such as taxes and retirement or estate planning. Inscription chose to affiliate with Betterment Institutional due to the Investment Platform’s customized portfolio allocations, automated rebalancing, and competitive fees. Inscription utilizes Betterment Institutional as a complement to its services to provide cost effective investing coupled with personalized financial planning.

To establish accounts with Betterment Institutional, the Client will also enter into one or more agreements with Betterment that provides the authority for discretionary investment management by the Investment Platform. Inscription remains the Client’s primary advisor and relationship contact and will select or construct a portfolio of ETFs and/or cash equivalents from the universe of investments included on the Investment Platform.

Inscription will have the discretionary authority to instruct Betterment Institutional with respect to portfolio construction, asset allocation and other investment decisions, subject to the limitations described herein. Betterment Institutional will implement the portfolio and be responsible for the discretionary trading of the ETFs in the Client's portfolio, including the purchase and sale of investments and the automatic rebalancing back to targets.

Betterment Institutional utilizes between ten to twelve different ETF's, representing various asset classes for the construction of investment portfolios. As discussed above, Inscription will work with each Client to select/construct a portfolio to meet the needs of the Client. The Client has limited ability to put restrictions on its accounts. The account[s] cannot contain investments that are not included in the Betterment Institutional universe of ETFs and cash equivalents.

Betterment Institutional, under its discretionary authority, will automatically adjust and rebalance the Client's accounts daily based on the drift tolerance established for the positions in the investment portfolio. The Advisor's investment philosophy is long-term, but the Advisor may make such tactical overrides to take advantage of market pricing anomalies or strong market sectors. The Advisor does not actively trade in the Client's account[s] and is limited to amending allocations once per account per trading day through Betterment Institutional, the Client should be aware of these potential disadvantages.

For its services, Betterment Institutional will charge an asset-based fee that is in addition to the Advisor's fee. Betterment Institutional's fee includes the securities transaction fees for all trades. The Advisor will only receive its investment advisory fees as detailed in Item 5.A. below and does not share in any fees earned by Betterment Institutional.

The Client, prior to entering into an agreement with the Investment Platform, will be provided with the Investment Platform's Form ADV Part 2A (or a brochure that makes the appropriate disclosures).

#### *Retirement Plan Advisory Services*

Inscription provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Review
- Investment Oversight Services (ERISA 3(21)) and 3(38)
- Performance Reporting
- Ongoing Investment Recommendation and Assistance

These services are provided by Inscription serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Inscription's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

#### **C. Client-Tailored Advisory Services**

Inscription provides portfolio management services using investment models designed to meet a variety of Client investment objectives. Client portfolios are managed on the basis of individual Clients' financial situation and investment objectives. Clients can impose reasonable restrictions on the management of their accounts if Inscription determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Inscription's management

#### **D. Assets Under Management**

As of December 31, 2023, Inscription manages \$1,276,713,756 in client assets, \$ 1,012,647,587.08 of which is managed on a discretionary basis and \$ 264,066,168.86 on a non-discretionary basis.

### **Item 5 - Fees and Compensation**

#### **A. Fee Schedule for Advisory Services**

Inscription charges an annual advisory fee based upon the assets under management that is agreed upon with each Client and set forth in an agreement executed by Inscription and the Client. Advisory fees range between 0.25% to 1.25% annually, depending on the size and complexity of the Client relationship as well as on the Advisory Person rendering the services. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. The advisory fee for the initial quarter is payable on a pro rata basis, in arrears, based on the period ending value of the net billable assets under management. For subsequent quarters, the advisory fee generally is payable in advance (except for services to participant-directed 401k plans, which generally are payable in arrears), based on the average daily net billable asset value of the Client's accounts through the last day of the previous quarter as provided by third-party sources.

*Betterment Institutional Platform* – Client accounts implemented through Betterment Institutional will be charged an annual Betterment Institutional wrap fee of up to 0.20%, in addition to the Advisor's fee, payable quarterly, for the assets implemented through Betterment Institutional. The Client authorizes this fee deduction through the investment platform agreement signed by the Client, the Advisor and Betterment Institutional.

Notwithstanding the foregoing, Inscription and the Client can choose to negotiate an annual advisory fee that varies from the schedule set forth above. Factors upon which a different annual advisory fee can be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The advisory fee charged by the Advisor will apply to all of the Client's assets under management, unless specifically excluded in the Client agreement. The advisory fee can be in addition to the financial planning services described above. Certain options strategies are offered to Clients for an additional fee to Inscription, assessed on assets committed to those particular strategies, as described in the Client agreement.

Clients have five (5) business days from the date of execution of the Client agreement to terminate Inscription's services. The investment advisory agreement between Inscription and the Client can be terminated at will by either Inscription or the Client upon written notice. Inscription does not impose termination fees when the Client terminates the investment advisory relationship, except when agreed upon in advance.

Inscription offers its Clients financial planning services. Such services, for some Clients, can be included as part of the annual advisory fee. Clients can also enter into a separate agreement with Inscription for financial planning services. Fees for services performed pursuant to such separate agreements for financial services are negotiable and are based on either an hourly rate that varies, depending on the experience, knowledge, and skill of those performing the services on behalf of Inscription, or a flat fee agreed upon in writing by Inscription and the Client. Inscription also offers family office services for a fixed annual fee ranging up to \$600,000, which can be negotiable depending on the nature and complexity of each Client's circumstances.

The hourly rate for comprehensive financial planning, ad-hoc, and project-based consultations for Clients varies depending on the services provided and the experience, knowledge, and skill of those performing the services on behalf of Inscription. Hourly rates generally range from \$250 to \$500 per hour based on the



scope of the engagement. The scope and charges of all hourly ad-hoc work must be agreed-upon in writing by Inscription and the Client before any billing begins.

**Account Minimums & Other Requirements:** We do not require an account or relationship size minimum in order for you to open/maintain an account or establish a relationship.

*Retirement Plan Advisory Services*

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.25% and are billed in arrears, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees based on the average daily net billable asset value of the Plan through the last day of the calendar quarter. Fees are negotiable depending on the size and complexity of the Plan.

**B. Payment of Fees**

Inscription generally deducts its advisory fee from a Client's investment account[s] held at his/her Custodian. Upon engaging Inscription to manage such account[s], a Client grants Inscription this limited authority through a written instruction to the Custodian of his/her account[s]. The Client is responsible for verifying the accuracy of the calculation of the advisory fee; the Custodian will not determine whether the fee is accurate or properly calculated. The fee generally is billed in advance on a quarterly basis, as described above in Item 5(A). A Client can utilize the same procedure for the payment of consulting fees in arrears or in advance.

Although Clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, Inscription will directly bill a Client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

*Betterment Institutional Platform* - For Clients referred by the Advisor to an Independent Manager, the Client's fee may be separately deducted from the Client's account[s] with the respective manager.

The Custodian of the Client's accounts provides each Client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the Client's account[s], including any fees paid directly to Inscription. For certain non-custodial partnership/private fund investments, the Advisor may not receive quarter-end investment valuations prior to its fee billing calculation. In such instances, the Advisor will use the most recent month-end or quarter-end valuation available for the calculation of investment advisory fees. The Advisor will recalculate its fee upon receipt of final valuations. Adjustments are reflected in the fee calculations for the next quarterly period.

Clients may make additions to and withdrawals from their account at any time, subject to Inscription's right to terminate an account. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate transferred securities or decline to accept particular securities into a Client's account. Clients may withdraw account assets at any time on notice to Inscription, subject to the usual and customary securities settlement procedures. However, the Advisor generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Inscription may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charges) and/or tax ramifications.

*Retirement Plan Advisory Services*

Retirement plan advisory fees can be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

**C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers**



In addition to Inscription's advisory fee, Clients will be responsible for the fees and expenses of the Custodian(s), underlying mutual funds, ETF's, External Managers and their platform manager (if any), transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, trading away fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), electronic fund and wire fees. The Advisor's recommended Custodian does not typically charge securities transaction fees for ETF and equity trades in Client accounts, but typically charges for mutual funds and other types of investments. Clients should review the applicable prospectuses for additional information about fund fees and expenses. For External Managers, Clients should review each manager's Form ADV 2A disclosure brochure and either the contract they sign with the External Manager (in a dual contract relationship) or their Statement of Investment Selection (in a single contract relationship) for additional information about fees and expenses charged.

#### **D. Prepayment of Fees**

As noted in Item 5(B) above, Inscription's advisory fees generally are paid in advance. Upon the termination of a Client's advisory relationship, Inscription will issue a refund equal to any unearned management fee for the remainder of the quarter. The Client has the ability to specify how he/she would like such a refund issued (i.e., a check sent directly to the Client, or a check sent to the Client's Custodian for deposit into his/her account).

*Betterment Institutional Platform* – Fees charged for Betterment accounts are collected quarterly, in advance of the billing period. The Client can terminate the account[s] with Betterment Institutional, at any time, by providing advance written notice to the Advisor and Betterment Institutional. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Advisor will assist the Client with this process upon request. The Client shall be responsible for platform and advisory fees up to and including the effective date of termination. The Client could be subject to other terms as provided through the tri-party agreement with Betterment Institutional.

#### *Retirement Plan Advisory Services*

Inscription is compensated for its services at the end of the quarter after advisory services are rendered. Either party can terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients**

Inscription does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Certain Advisor representatives who provide investment advice to Clients ("Advisory Persons") may also be registered representatives of either Purshe Kaplan Sterling Investments, Inc. ("PKS") a FINRA-registered broker-dealer and member of SIPC.

An Advisory Person of Inscription may implement securities transactions, acting in one's separate capacity as registered representative, on a commission basis through PKS instead of Inscription. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees. Compensation earned by the Advisory Person in his or her capacity as a registered representative is separate from and in addition to Inscription's advisory fee charged on Client assets held in advisory accounts. The receipt of such compensation by an Advisory Person presents a conflict of interest as an Advisory Person who is a registered representative has an Incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client's needs. Clients may be able to obtain these products less expensively through sources other than PKS that do not generate

compensation for the Advisory Person. Inscription addresses this conflict through disclosure and additionally notes that the Advisor does not charge advisory fees on assets where one of our Advisory Persons, acting in one's separate capacity as registered representative, received brokerage compensation (e.g., it does not "double dip"). Inscription notes that Clients are under no obligation to purchase securities products through PKS or our Advisory Persons or otherwise engage such persons and can choose brokers or agents not affiliated with Inscription, PKS, and in some cases could purchase products directly from fund companies without paying brokerage compensation.

Some Inscription Advisory Persons are also licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to Clients. Insurance commissions earned by Advisory Persons who are insurance professionals are separate from and in addition to Inscription's advisory fee. This practice presents a conflict of interest as an Advisory Person who is an insurance professional has an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on Client needs. Clients are under no obligation to purchase insurance products through any person affiliated with Inscription.

#### **Item 6 - Performance-Based Fees and Side-by-Side Management**

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a Client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Inscription's fees are calculated as described in Item 5 above. Inscription does not charge performance-based fees or participate in side by side management. However, if appropriate, the Advisor may recommend Investment Managers and investment funds, including Private Funds, which may assess a performance-based fee. Such recommendations to invest with an Investment Manager or investment fund with a performance-based fee arrangement would be preceded by an assessment as to the suitability and appropriateness of such an investment, relative to other similar investments, if any, which do not have a performance-based fee arrangement.

#### **Item 7 - Types of Clients**

Inscription offers investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, and private foundations. The Advisor does not impose minimum relationship size.

#### **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

##### **A. Methods of Analysis and Risk of Loss**

A primary step in Inscription's investment strategy is getting to know the Clients – to understand their financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, Inscription offers Clients financial planning that is highly customized and tailored. This comprehensive approach is integral to the way that Inscription does business. Once Inscription has a true understanding of its Clients' needs and goals, the investment process can begin, and the Advisor can recommend strategies and investments that it believes are aligned with the Client's goals and risk profile.

Inscription primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Inscription is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

Inscription generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Inscription will typically hold all or a portion of a securities position for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, the Advisor may also buy and sell positions that are more short-term in nature, depending

on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Inscription has an investment committee. The investment committee selects assets and products from across many asset classes, including global and domestic equities, taxable and non-taxable fixed income, mutual funds, ETFs, structured products, options, and alternative investments. Once the investment committee reviews and approves these securities and products, they are added to the Advisor's model portfolios and approved list and can be purchased for Clients. Similarly, Inscription has the authority to select External Managers to manage a portion of its Clients' assets. The investment committee also reviews and approves the External Managers in which the Advisor has placed Client assets. Overall investment strategies recommended to each Client emphasize long-term ownership of a diversified portfolio of marketable and non-marketable investments intended to provide superior after-tax, inflation-adjusted, economic returns.

Client portfolios with similar investment objectives and asset allocation goals can own different securities and investments. The Client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Inscription's investment recommendations.

Investing in securities involves a risk of loss. A Client can lose all or a substantial portion of his/her investment. A Client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

## **B. Material Risks Involved**

The mutual funds, ETFs and External Managers that the Advisor frequently invests Client assets with or recommends to Clients generally own securities and therefore also involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund. Mutual funds invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the fund's underlying bond holdings.

Fixed income securities may decrease in value as a result of many factors, for example, increases in interest rates or adverse developments with respect to the creditworthiness of the issuer. Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. Returns on mutual fund investments are reduced by management costs and expenses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.

Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements may be highly correlated across securities and funds. A specific fund may not be diversified, and a Client portfolio may not be diversified. Additionally, when diversification is a Client objective, there is risk that the strategies that the Advisor uses may not be successful in achieving the desired level of diversification. There is also a risk that the strategies, resources, and analytical methods that the Advisor

uses to identify mutual funds and ETFs will not be successful in identifying investment opportunities.

The following events also could cause mutual funds, ETFs, equities, commodities and fixed income securities and other investments managed for Clients, as well as those managed by External Managers, to decrease in value:

- Market Risk: The price of an equity security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Event Risk: An adverse event affecting a particular company or that company's industry could depress the price of a Client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a Client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.
- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.
- Leverage Risk: The use of leverage may lead to increased volatility of a fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.
- Commodities Risk: Commodities prices can be extremely volatile and can lose all or virtually all their value, and historically this has occurred in various markets on multiple occasions. Furthermore, commodity investments generally involve the use of futures contracts, which creates additional counterparty risk, and also the risk of rolling futures contracts, which can result in substantial loss and underperformance of spot commodity prices.
- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.
- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting their underlying health.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Operational Risk: Fund Advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF.
- Regulatory/Legislative Developments Risk: Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying

such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities

- **Illiquid Securities:** Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:
  - Typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;
  - Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
  - Are more difficult to monitor and value due to a lack of transparency and publicly available information about these funds;
  - May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and
  - Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

### **Use of External Managers**

Inscription may select certain External Managers to manage a portion of its Clients' assets. In these situations, Inscription conducts due diligence of such managers, but the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Inscription generally will not have the ability to supervise the External Managers on a day-to-day basis.

### **Unusual Risks of Specific Securities**

#### *Risk Associated with Initial Public Offerings*

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the company's shares.

#### *Risks Associated with Closed-End Funds*

Closed-end funds typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.

#### *Risks Associated with Options Trading*

Investments in options contracts have the risk of losing value in a relatively short period of time. Options are investments whose ultimate value is determined from the value of the underlying investment. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### *Risk Associated with Alternative Investments (Limited Partnerships)*



The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

#### *Risks Associated with Structured Notes*

Complexity. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for Clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

Market risk. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause Clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

Issuance price and note value. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

Liquidity. The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.

Credit risk. Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

#### **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Inscription and the integrity of Inscription's management. Inscription has no information applicable to this Item.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

*Merchant Wealth Management Holdings, LLC*

Merchant Wealth Management Holdings, LLC (“Merchant Wealth”), a subsidiary of Merchant Investment Management, LLC (“Merchant Investment”), owns a minority, non-controlling interest in the Advisor. Merchant Investment, through subsidiaries other than Merchant Wealth, has ownership interests in various companies that provide investment and other consulting services to registered investment advisors. As referenced above, the Advisor is not controlled by Merchant Wealth or Merchant Investment and is operated independently where Merchant Investment and all other related subsidiaries are not involved with the services offered by the Advisor and maintains its own office space.

*BEO Holdings, LLC and Levy Park Capital GP, LLC*

Inscription Capital, LLC is wholly owned by Inscription Capital Holdings, LLC. The majority owner of Inscription Capital Holdings, LLC is BEO Holdings, LLC which wholly owns Levy Park Capital GP, LLC. Levy Park Capital GP, LLC is the Fund General Partner for litigation funds, LPC Litigation Fund I, LP and LPC Litigation Fund II, LP, that provides funding for legal cases in exchange for a share of potential compensation from favorable judgments. Individual owners of BEO Holdings, LLC, in their separate capacity have a minority ownership interest in LPC Litigation Fund I, LP. As a result, these individuals stand to benefit financially from additional investments made in LPC Litigation Fund I, LP and from returns generated by LPC Litigation Fund I, LP. In an effort to mitigate potential conflicts, these individuals will make every effort to place client best interests ahead of any personal or financial gain that may result from the Litigation Fund's activities. These individual owners will continue to provide you with complete and timely disclosure of any investments, transactions, or situations that may be affected by this conflict of interest. They will conduct thorough research and analysis when making investment recommendations to ensure that they are based on sound judgment and aligned with your specific investment goals. In cases where there is a direct conflict between the interests of the Litigation Funds and your investments, these individuals will recuse themselves from making any decisions or recommendations to avoid any potential bias.

*Registrations with Broker-Dealer*

As detailed in Item 5.E., Advisory Persons providing investment advice on behalf of Inscription may be registered representatives of PKS. See the Fees and Compensation section in this brochure for more information on the compensation received by registered representatives who are affiliated with the Advisor.

*Recommendation of External Managers*

If appropriate, Inscription may recommend that Clients use External Managers based on the Client’s needs and suitability. Inscription does not receive separate compensation, directly or indirectly, from such external managers for recommending that Clients use their services. Inscription does not have any other business relationships with the recommended External Managers.

*Inscription Family Office, LLC*

Inscription is under common control with an SEC-registered investment advisor, Inscription Family Office, LLC (CRD# 301900 and herein referred to as “Inscription Family”). Inscription Family provides family office services, primarily serving high net worth individuals, family offices and trusts. Certain Advisory Persons of Inscription also serve as Advisory Persons of Inscription Family. Inscription Family may also provide its services to Clients of Inscription. In such instances, Inscription Family provides each Client with all relevant disclosures, including the Inscription Family disclosure brochure. This poses a conflict of interest as Advisory Persons may benefit from additional revenues generated at Inscription Family. Clients of Inscription are under no obligation to accept the recommendations of Inscription to engage with Inscription Family advisory services.

*Licensed Insurance Agents*

As detailed in Item 5.E., certain Advisory Persons are licensed insurance agents and may also offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that



Inscription recommends the purchase of insurance products where its Advisory Persons are entitled to insurance commissions or other additional compensation. Clients are under no obligation to purchase insurance products through any person affiliated with Inscription. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

### *Quantor Capital LLC*

Certain Advisory Persons are also associated persons of Quantor Capital LLC ("Quantor"), a commodity pool operator (NFA ID: 0503326) with the Commodity Futures Trading Commission ("CFTC"). As a part of the Advisor's investment management services, Advisory Persons can recommend that the Client invest a portion of their assets in Quantor Core Fund, LP, a commodities pool, which will be managed separately by Quantor. The Advisor will not have day-to-day investment supervision over the assets managed by Quantor. Clients are not obligated to implement commodities recommendations provided by the Advisor or its Advisory Persons.

Clients will be charged a separate fee for assets placed into Quantor Core Fund, LP, where Advisory Persons associated with Quantor will benefit from the additional revenue generated. The additional compensation poses a conflict of interest whereby Advisory Persons have an incentive to recommend Quantor Core Fund, LP, as part of a Client's investment portfolio. To mitigate this conflict, the Advisor will reduce the investment advisory fees charged to the Client and ensure that recommendations to invest in Quantor Core Fund, LP, is in the best interest of the Client. Clients are not obligated to implement any recommendations made by Advisory Persons.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions**

### **A. Description of Code of Ethics**

Inscription has a Code of Ethics (the "Code") which requires Inscription's employees ("Supervised Persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Advisor's Clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by Supervised Persons.

Personal securities transactions of Supervised Persons present potential conflicts of interest related to the price obtained in Client securities transactions or the investment opportunity available to Clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a Client and requiring, with certain exceptions, Supervised Persons to report their personal securities holdings and transactions to Inscription for review by the Advisor's Chief Compliance Officer. The Code also requires Supervised Persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Inscription will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

## **Item 12 – Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker-Dealers**

Inscription generally recommends that its investment management Clients utilize the custody and brokerage services of an unaffiliated broker/dealer custodian (a "Custodian") with which Inscription has an institutional relationship. Currently, this includes Fidelity Clearing and Custody Solutions, a division of Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"), Charles Schwab & Co., Inc. ("Schwab"), and Goldman Sachs Custody Solutions, a division of Goldman Sachs Bank USA, a New York state-chartered bank, and a wholly owned subsidiary of The Goldman Sachs Group, Inc. (together with all affiliates, "Goldman Sachs") where all serve as a "Qualified Custodian" as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940 ("Advisers Act"). Each Custodian provides custody of

securities, trade execution, and clearance and settlement of transactions placed by Inscription. If your accounts are custodied at the Custodian, the Custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

In deciding to recommend the Custodian, some of the factors that Inscription considers include:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;
- Technology that integrates within Inscription's environment, including interfacing with Inscription's portfolio management system;
- A dedicated service or back office team and its ability to process requests from Inscription on behalf of its Clients;
- Ability to provide Inscription with access to Client account information through an institutional website; and
- Ability to provide Clients with electronic access to account information and investment and research tools.

Inscription generally places portfolio transactions through the Custodian where the Clients' accounts are custodied. In exchange for using the services of the Custodian, Inscription receives, without cost, computer software and related systems support that allows Inscription to monitor and service its Clients' accounts maintained with such Custodian.

Clients should understand the Custodians provide products and services to RIA, including the following:

**Services that Benefit Clients.** The Custodians' brokerage services includes access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products offered through the Custodians could include some to which clients might not otherwise have access or that would require a significantly higher minimum initial investment. In addition, when independent firms affiliate with Inscription and recommend their clients transfer their accounts to a Custodian, that Custodian will often offer transition assistance to Inscription which is typically used, in part, to cover the account termination fees charged by the clients' incumbent custodian. In addition, the Custodians provide free trading during the transition period so clients do not incur trading costs in establishing their accounts. The Custodians also occasionally provide free trading days to enable Inscription to make adjustments to its investment allocation models, which saves clients' money.

**Services that Do Not Directly Benefit Clients.** The Custodians also make available other products and services that benefit Inscription but do not generally benefit clients' accounts directly. These products and services that assist Inscription in managing and administering its client accounts, such as investment research, which Inscription can use to service all or some substantial number of its client accounts, including accounts not maintained at the Custodian who is providing the research. In addition to investment research, the Custodians also make available software and other technology that:

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

**Services that Generally Benefit Only RIA.** The Custodians also offer other services intended to help Inscription manage and further develop its business enterprise. These services include:

- travel expenses for Inscription's investment adviser representatives and/or staff to attend educational conferences and events or to serve as members of the Custodian's advisory committee;
- sponsorship of Inscription's conferences and client marketing events;

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

Custodians can provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to RIA. These Custodians also provide Inscription's staff and investment adviser representatives with other benefits such as occasional meals or business entertainment.

Inscription's receipt of these benefits creates a conflict of interest because they relieve the firm from paying for these items or producing them itself. As result, the receipt of these benefits makes it more likely Inscription will recommend these companies as the custodian for its clients' accounts. However, Inscription believes its recommendation of these companies to serve as the custodians and brokers on its clients' accounts is in the best interests of its clients, based upon the scope, quality, and price of their services that benefit them, as opposed to the services that only benefit it.

Inscription may offer certain qualified Clients trading services which gives Inscription the ability to execute trades through PKS, or other broker-dealers when placing securities transactions on behalf of Clients with assets custodied at a Custodian. In such instances where Inscription trades away from a Custodian, the account will incur a trade-away fee from a Custodian for each transaction that is executed on a trade-away basis. The fee is separate from the commission/transaction fee or mark- up/mark-down imposed by the broker-dealer through which the trade was executed.

Trading away may be advantageous for the Client because:

- the broker-dealer may have expertise in a particular security or market;
- the broker-dealer makes a market in a particular security;
- a particular security is thinly traded; or
- the broker-dealer can identify a counter-party for a trade.

A Client may pay higher net execution costs than he/she would have paid if the transaction were placed through the Custodian holding his or her assets.

Inscription will periodically review its arrangements with Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its Clients. Inscription maintains a list of broker-dealers that have been approved for trading Clients' assets away from a Custodian. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for Client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

Inscription's Clients may utilize qualified custodians other than the Custodian for certain accounts and assets, particularly where Clients have a previous relationship with such qualified custodians.

#### *Brokerage for Client Referrals*

Inscription does not select or recommend broker-dealers based solely on whether or not it may receive Client referrals from a broker-dealer or third party.

#### *Client-Directed Brokerage*

Generally, in the absence of specific instructions to the contrary, for brokerage accounts that Clients engage Inscription to manage on a discretionary basis, Inscription has full discretion with respect to securities transactions placed in the accounts. This discretion includes the authority, without prior notice to the Client, to buy and sell securities for the Client's account and establish and affect securities transactions through the broker-dealer/Custodian of the Client's account or other broker-dealers selected by Inscription. In selecting a broker-dealer to execute a Client's securities transactions, Inscription seeks prompt execution of orders at favorable prices.

A Client, however, has the ability to instruct Inscription to custody his/her account at a specific broker-dealer and/or direct some or all of his/her brokerage transactions to a specific broker-dealer. In directing brokerage transactions, a Client should consider whether the commission expenses, execution, clearance, settlement capabilities, and custodian fees, if any, are comparable to those that would result if Inscription exercised its discretion in selecting the broker-dealer to execute the transactions. Directing brokerage to a particular broker-dealer may involve the following disadvantages to a directed brokerage Client:

- Inscription's ability to negotiate commission rates and other terms on behalf of such Clients could be impaired;
- such Clients could be denied the benefit of Inscription's experience in selecting broker-dealers that are able to efficiently execute difficult trades;
- opportunities to obtain lower transaction costs and better prices by aggregating (batching) the Client's orders with orders for other Clients could be limited; and
- the Client could receive less favorable prices on securities transactions because Inscription may place transaction orders for directed brokerage Clients after placing batched transaction orders for other Clients.

In addition to accounts managed by Inscription on a discretionary basis where the Client has directed the brokerage of his/her account[s], certain institutional accounts are managed by Inscription on a non-discretionary basis and are held at custodians selected by the institutional Client. The decision to use a particular custodian and/or broker-dealer generally resides with the institutional Client. Inscription endeavors to understand the trading and execution capabilities of any such custodian and/or broker-dealer, as well as its costs and fees. Inscription may assist the institutional Client in facilitating trading and other instructions to the custodian and/or broker-dealer in carrying out Inscription's investment recommendations.

#### *Trade Errors*

Inscription's goal is to execute trades seamlessly and in the best interests of the Client. In the event a trade error occurs, Inscription endeavors to identify the error in a timely manner, correct the error so that the Client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at the Custodian, or another broker-dealer, as the case may be. In the event an error is made in a Client account custodied elsewhere, Inscription works directly with the broker in question to take corrective action. In all cases, Inscription will take the appropriate measures to return the Client's account to its intended position.

## **B. Trade Aggregation**

To the extent that the Advisor determines to aggregate Client orders for the purchase or sale of securities, including securities in which the Advisor's Supervised Persons may invest, the Advisor will generally do so in a fair and equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Advisor.

### **Item 13 – Review of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Inscription monitors investment advisory portfolios as part of a continuous and ongoing process. Inscription advisors aspire to meet quarterly with each Client, and have at least one annual meeting with every Client to conduct a formal review of each Client's account. These reviews may include the following:

- compare the account's allocation with stated goals and Client cash-flows at time of review;
- review holdings and consider alternatives;
- monitor the size of individual securities related to their sectors, asset classes, and overall account size;
- analyze an account's composition and performance, income, appreciation, gains/losses, and asset allocation; and
- assess its performance.

Factors that could trigger an additional review, other than a periodic review, include: material market, economic or political events, known significant changes in a Client's financial situation and/or objectives, and large deposits or withdrawals from the accounts. Clients are encouraged to notify Inscription if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan.

#### **B. Other Reviews**

Inscription may perform compliance and/or supervisory reviews of a sampling of Client accounts. These reviews may include comparing an account's strategy and/or allocation to the account's stated objectives, reviewing commission and transaction costs borne by the account, and reviewing the billing rate and charges.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Clients will receive brokerage statements no less than quarterly from the qualified custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client can also establish electronic access to the Custodian's website so that the Client can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Client advisor can also provide Clients with periodic reports regarding their holdings, allocations, and performance.

### **Item 14 – Client Referrals and Other Compensation**

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Inscription does not receive benefits from third parties for providing investment advice to Clients.

### **Item 15 – Custody**

All Clients must utilize a "qualified custodian" as detailed in Item 12. Clients are required to engage the Custodian to retain their funds and securities and direct Inscription to utilize the Custodian for the Client's securities transactions. Inscription's agreement with Clients and/or the Clients' separate agreement with the broker-dealer/Custodian might authorize Inscription through such broker-dealer/Custodian to debit the Client's account for the amount of Inscription's fee and to directly remit that fee to Inscription in accordance with applicable custody rules.

The broker-dealer/Custodian recommended by Inscription Capital has agreed to send a statement to the Client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Inscription. Inscription encourages Clients to review the official statements provided by the Custodian, and to compare such statements with investment reports received from Inscription. For more information about Custodians and brokerage practices, see Item 12, Brokerage

If the Client gives the Advisor authority to move money from one account to another account, the Advisor could be deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

**Item 16 – Investment Discretion**

Clients have the option of providing Inscription with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Inscription's Client agreement. By granting Inscription investment discretion, a Client authorizes Inscription to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Clients have the authority to impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Inscription. See also Item 4(C), Client-Tailored Advisory Services.

**Item 17 – Voting Client Securities**

Inscription Capital does not vote proxies or class actions on securities. Clients are expected to vote their own proxies or class actions. The Client will receive their proxies or class actions directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies or class actions is requested, Inscription capital will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. If the Client requires assistance or has questions, they can reach out to the investment advisor representatives of the firm at the contact information on the cover page of this document.

**Item 18 – Financial Information**

**A. Balance Sheet**

Inscription does not require prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore does not need to include a balance sheet with this Brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Inscription nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to Clients.

**C. Bankruptcy Petitions in Previous Years**

Inscription has not been the subject of a bankruptcy petition.



**FACTS****WHAT DOES Inscription Capital, LLC  
DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- income and transaction history
- net worth and investment experience

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons **Inscription Capital, LLC** chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Inscription Capital share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call 713-673-8999 or go to <https://inscriptioncapital.com/>



## Page 2

## Who we are

Who is providing this notice?

Inscription Capital, LLC

## What we do

How does **Inscription Capital, LLC** protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**Inscription Capital uses security measures that comply with federal law in its office space.**

How does **Inscription Capital, LLC** collect my personal information?

We collect your personal information, for example, when you

- open an account or give us your income information
- tell us about your portfolio or buy insurance products
- sign an investment advisory agreement

We also collect your personal information from other companies that are service providers, such as custodians.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

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Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

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Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

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## Other important information