



ITEM 1 COVER PAGE

FORM ADV PART 2A

March 12, 2024

Bridges Capital LLC

3328 NE 32<sup>nd</sup> St

Fort Lauderdale, FL 33308

954-271-1075

[info@mycertifiedteam.com](mailto:info@mycertifiedteam.com)

[www.mycertifiedteam.com](http://www.mycertifiedteam.com)

Registration as an investment adviser does not imply a certain level of skill or training.

This Brochure provides information about the qualifications and business practices of Bridges Capital LLC. If you have any questions about the contents of this Brochure, please contact us at 954-271-1075 or [info@mycertifiedteam.com](mailto:info@mycertifiedteam.com). The information in this Brochure has not been approved or verified by the

United States Securities and Exchange Commission or by any state securities authority. Additional

information about Bridges Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Bridges Capital LLC who are registered or are required to be registered.

## **Item 2 – Material Changes**

Bridges Capital LLC (“BC” or the “Firm”) has had no material change to its Brochure since the Firm’s last update on August 8th, 2023.

We routinely make changes throughout the Brochure to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and Firm practices.

BC will provide clients with a summary of any material changes to this Brochure since the Firm’s last annual update within 120 days of the close of the Firm’s fiscal year end. BC may provide additional interim disclosure about material changes, as warranted. For a current copy of the Firm’s Brochure, please contact Raymond T. Bridges, Managing Member, at 954-271-1075.

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Brochure Supplement (s) will be delivered to all clients with this document.

## **Item 4 –Advisory Business**

Bridges Capital, LLC (hereinafter referred to as “BC” or the “Firm”) was founded in 2018 in response to individuals seeking better solutions for their investment portfolios. Investments of individuals, especially portfolios of small to mid-sized, were characterized by either a lack of diversification among asset classes and investment managers or over reliance on diversification without an understanding of the underlying investments owned. BC saw an opportunity to offer a more sophisticated approach to seeking quality investment performance.

BC’s vision is to provide clients with forward-thinking unbiased, research, and income-based investment advice and to serve as an advocate and fiduciary. BC was established by Raymond T Bridges CPA in Fort Lauderdale, FL in order to accomplish this vision.

BC is a provider of investment advisory services with discretionary assets under management as of July 2023 of \$ 52,197,914. BC’s client base includes but is not limited to high-net-worth individuals, business owners, partnerships, corporations, revocable/irrevocable trusts, retired and non-retired persons, and the adviser to Bridges Capital Tactical Equity ETF (as discussed further below).

### **Sub-Adviser to ETF**

BC provides non-discretionary sub-advisory services to the Bridges Capital Tactical Equity ETF (the “ETF, symbol BDGS), a series of the Alpha Architect ETF Trust, a registered investment company. Empowered Funds, LLC (“Empowered Funds”) serves as the investment adviser to BDGS. The terms of the sub-advisory services will be set forth in a sub-advisory agreement (“Sub-Advisory Agreement”) between Empowered Funds and the Firm. Additional information about the sub-advisory services the Firm provides to the ETF is available in the ETF’s prospectus and Statement of Additional Information (“SAI”), provided upon request.

Acting as Sub-Adviser, BC shall not initiate any orders to purchase or sell any securities on behalf of the ETF. BC will not tailor its advisory services to the individual needs of investors in the Bridges Capital Tactical Equity ETF.

### **Business Arrangement with Turner Financial Group Inc.**

BC has entered into a service agreement with TFG, whereby, advisors registered with BC can access state of the arts services to enhance their business and compete at the highest level. These services are optional and may not be utilized by clients specific to BC. The TAMP services can include: Client suitability assessment, Proposal generation, Performance reporting, asset aggregation, and consolidated statements.

TFG, through its agreement with BC, can now offer advisors who prefer to use Schwab as a custodian, its full-service asset management and administration services. TFG is responsible for client suitability, KYC, oversight of trading and sales practices, billing and fee schedules, along with other compliance matters related to clients of TFG that utilize the custodian service access of BC. TFG does not advertise, solicit on behalf of or promote BC. TFG will provide BC with any and all compliance documents related to TFG clients utilizing the service of BC.

## **Separately Managed Account Personalized Investment Advice**

In forming the basis for its recommendations, BC will carefully review each client's individual investment needs and objectives to determine which services or products are most suitable for that client. Investment services are based upon the recommendations of each individual consultation. Recommendations can vary depending on each consultation and their specific area of experience and individual need. Although the goal of all recommendations by BC is to increase investment performance and reduce risk, no guarantees can be made. All investors should be aware that past performance is no guarantee of future results. Compensation to BC is based upon the fee charged by BC for services provided. BC provides ongoing investment supervisory services to its clients.

## **Investment Advice for Retirement Plans and Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must: Meet a professional standard of care when making investment recommendations (give prudent advice); Never put our financial interests ahead of yours when making recommendations (give loyal advice); Avoid misleading statements about conflicts of interest, fees, and investments; Follow policies and procedures designed to ensure that we give advice that is in your best interest; Charge no more than is reasonable for our services; and Give you basic information about conflicts of interest.

BC's investment advising service provides oversight of investment portfolios on a discretionary basis and includes all of the following:

**Investment Policy Statement:** BC will modify or draft a policy that specifies the client's goals and objectives, as well as the asset allocation targets and ranges, and concludes with an acknowledgement section where client and advisor attest to these policies.

**Asset Allocation Study:** Based on the client's return objectives and risk tolerance, BC will assist the client in developing the appropriate asset allocation.

**Performance Reports:** BC will utilize the resources of the client's custodian to review client performance upon request of client and/or on annual performance reviews via phone or in-person.

**Educational Material:** BC may conduct research on topics at the client's request. These research studies are designed to open discussion on relevant investment topics, and to position the portfolio for future success.

**When deemed appropriate for separately managed account clients where BC exercises discretionary authority and, without further approval from such clients, BC expects to invest a percentage of separately managed account assets in the Bridges Capital Tactical Equity ETF. Because the Firm will receive compensation as the Sub-Adviser to the ETF, the Firm will have a conflict of interest when recommending the ETF. BC maintains procedures to ensure that all recommendations are made in its clients' best interest, regardless of the nature of its compensation.**

## Item 5 – Fees and Compensation

### **Sub-Advisory Services Fees**

BC provides sub-advisory services for an annual fee based on the percentage of the value of the assets that are sub-advised (“Sub-Advisory Fee”). BC’s fee will be payable from the unitary fee proposed within the ETF and borne by the adviser to the ETF. As a non-discretionary sub-adviser, BC will not receive any portion of commissions, transaction fees, or other brokerage costs generated by the ETF. The Sub-Advisory Fee will generally be calculated daily and levied on a monthly basis, in arrears, based upon the average net asset value of the ETF’s assets per month, calculated at the end of each month. Additional information about the fees charged to an investor in the ETF is available in the ETF’s prospectus and SAI, available upon request.

### **Separately Managed Account Fees**

The following fee schedule is for BC only clients and does not pertain to clients of TFG. TFG is responsible for their own fee schedule and clients of TFG should consult with the Form ADV of TFG and their own account documents for accurate calculations of their specific fee schedule.

Our general policy is to charge separately managed account fees in accordance with the fee schedule(s) in effect at that time; however, all BC fees and minimums are subject to negotiation. Existing advisory clients are subject to BC’s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Generally, clients are billed directly from the portfolio of investments held unless the client chooses an alternative billing method.

The manner in which we charge fees is set forth in the client’s advisory agreement. Fees are generally charged monthly in arrears and assessed in accordance with the following guidelines:

Client accounts that were transferred from Claraphi Advisory Network LLC will continue to use their existing Fee Schedule on record. BC will rely on the documentation for fees provided by Claraphi Advisory Network LLC to determine appropriate fee percentage.

Client agrees to pay BC an Investment Advisory Fee for its investment advisory services, determined, calculated and payable as detailed below.

The Investment Advisory Fee is based on a percentage of client’s assets that BC managed and is calculated and charged in accordance with the following fee schedule:

<b>Assets under Management</b>	<b>Annualized Fee</b>
Less than \$1,000,000	1.50%
\$1,000,000 to \$2,999,999	1.15%
\$3,000,000 and above	1.00%

SAMPLE CALCULATION.

For Charles Schwab & Co., Inc. as a custodian, the Investment Advisory Fee is calculated based on the ending daily balance of each business day multiplied by the annual fee for each specific account and then divided by 365. For Interactive Brokers LLC as the custodian, the Investment Advisory Fee is based on the ending balance in the account on each specific day through the billing calendar month multiplied by the applicable annual rate and divided by 365. These two fee calculations are similar; however Interactive Brokers LLC calculates the fee automatically whereas Charles Schwab & Co., Inc. relies on the calculations of BC.

The Investment Advisory Fee is billed and payable monthly (covering the preceding month) within ten (10) days before or after the end of the applicable month for which payment is due and will be based on the value of client's account. The client's designated Custodian, an independent and unaffiliated party, will provide all valuations of the account used to calculate the Investment Advisory Fee.

If the Investment Advisory Agreement is executed at any time other than the first day of a calendar month, one of the parties terminates the Agreement, or client prepays advisory fees or withdraws or adds assets to the account, the Investment Advisory Fee will be based on the details outlined above depending on the custodian of the client's choice.

At our discretion, BC may combine the account values of family members living in the same household to determine the applicable advisory fee. For instance, BC may combine account values for client, his minor children, joint accounts with his spouse, and other types of related accounts. Combining account values may increase the asset total, ultimately resulting in client(s) paying a reduced advisory fee based on the available breakpoints in the fee schedule laid out above. If client authorizes BC to use margin in managing the account, the market value of the account and the corresponding fee payable to BC will be based on Net Liquidation Value.

Upon termination of BC's services, BC will assess a pro-rated fee for services rendered in accordance with the fee payment and termination provisions contained in the client contract.

When structuring a separately managed account on behalf of a client, we may include Bridges Capital Tactical Equity ETF as a holding in the separately managed account. As noted above, we receive a Sub-Advisory Fee from the Bridges Capital Tactical Equity ETF based on the value of the Bridges Capital Tactical Equity ETF's assets. As sponsor of the ETF, we are also entitled to its profits, which represents a conflict of interest. To mitigate this conflict, BC will generally exclude the value of the Bridges Capital Tactical Equity ETF shares held in a client account when computing the separately managed account advisory fee. Furthermore, we will only consider purchasing the Bridges Capital Tactical Equity ETF within a client's separately managed account if we believe doing so is consistent with client objectives and is in the best interest of the client notwithstanding any financial benefit accruing to us when making such an allocation.

### **Additional Fees and Expenses**

In addition to BC's advisory fees, clients are responsible for the fees and expenses charged by Custodians, reporting platforms, and imposed by broker-dealers or platforms which may include transaction charges, custodial fees, reporting fees, and commission costs. Clients are also responsible for the fees charged by the underlying fund managers.

Certain strategies offered by us involve investment in ETFs, which are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to



track a particular market segment or index. Clients will pay the operating expenses of the ETFs held in your portfolio. Underlying ETF fees and expenses will be disclosed upon your request and are typically described in the applicable ETF's prospectus.

Investors in the Bridges Capital Tactical Equity ETF will incur additional fees and expenses in addition to the Sub-Advisory Fee paid to the Firm. Such fees and expenses are described in the ETF's prospectus and SAI, available upon request.

For further compensation arrangements please refer to Item 12 of this Brochure.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

BC does not have any clients with performance-based fee arrangements.

### Side by Side Management Conflicts of Interest

Side-by-side management of multiple accounts can create incentives for BC to favor one account over another. Examples are detailed below, followed by a discussion of how BC addresses these conflicts.

- Multiple strategies: BC may buy or sell or may direct or recommend that one client buy or sell, securities of the same kind or class that are purchased or sold for another client, at prices that may be different due to timing or client direction. BC may also, at any time, execute trades of securities of the same kind or class in one direction for an account and in the opposite direction for another account, due to differences in investment strategy or client direction. Different strategies affecting trading in the same securities or types of securities may appear as inconsistencies in the management of multiple accounts side-by-side.
- Non-discretionary accounts: BC may provide non-discretionary services to some clients and manages other accounts on a discretionary basis. As a result of a client retaining BC to manage an account on a non-discretionary basis, the client may be disadvantaged because BC must obtain the nondiscretionary client's approval prior to effecting investment transactions on their behalf. As a result of these and other factors, the performance of non-discretionary accounts may differ from the performance of other client accounts following the same investment strategy.
- Higher fee-paying accounts or products: BC receives more revenues from larger accounts than smaller accounts and from charging higher fees for some services than others. The differences in revenue that BC receives could create an incentive for BC to favor the higher fee paying or higher revenue generating account over another. BC will exercise due care to avoid this incentive whenever possible.

### How BC Addresses These Conflicts of Interest

The conflicts of interest described above could create incentives for BC to favor one or more accounts or types of accounts over others in the allocation of investment opportunities, time, aggregation and timing of investments. Accounts in a particular strategy with similar objectives are managed similarly to the extent possible. Accordingly, account holdings and sector exposure tend to be similar across a group of accounts in a strategy that has similar objectives, which tends to minimize the potential for conflicts of interest among accounts within a specific strategy. While these accounts have many similarities, the investment



performance of each account may be different primarily due to differences in guidelines, individual portfolio manager's decisions, timing of investments, fees, expenses and cash flows.

BC has developed policies and procedures that seek to address, mitigate and assess these conflicts of interest. BC cannot guarantee, however, that our policies and procedures will detect and prevent, or lead to disclosure of, each and every situation in which a conflict may arise.

- BC has adopted trade aggregation and allocation procedures that seek to treat all clients fairly and equitably.
- BC has adopted procedures to review allocations and/or performance dispersion between accounts.
- BC provides disclosure of these conflicts as described in this Brochure.

## **Item 7 – Types of Clients**

BC generally provides investment advisory services to various types of clients, including but not limited to the following:

- Individuals and Trusts
- Partnerships
- Corporations

As a non-discretionary Sub-Adviser to the Bridges Capital Tactical Equity ETF, BC will serve the investment adviser to the ETF. The ETF's adviser is required to be an SEC registered investment adviser and authorized by the board of trustees of the ETF to delegate certain portfolio management duties to us.

Currently, BC's minimum account size to open a separately managed account is \$250,000. Exceptions can be made for household relationships that together exceed this minimum, or with another exception made by the exclusive right of BC. Unless an exception is made, in order to remain a client of BC, a \$200,000 account minimum must be maintained, calculated as the average quarterly balance or the previous quarter.

There is no investment minimum for the Bridges Capital Tactical Equity ETF.

## **Item 8 – Method of Analysis, Investment Strategies and Risk of Loss**

BC's investment philosophy serves as the basis for the investment solutions we provide our clients and is predicated upon the following four philosophical tenets:

- Investment decisions should be made with a long-term perspective
- Valuation considerations should drive investment decisions
- Portfolios should be constructed to achieve diversification by risks
- Focus on income within investment portfolio has the potential to add value

### *Separately Managed Account Portfolio Design*

We take a broad-based view of asset allocation, with investments generally falling into one of four asset categories: equity, fixed income, real estate investment trusts, cash and other diversifying strategies. Each

category serves a specific role within a portfolio. BC's primary investment philosophy is to utilize cash within the portfolio as a hedge against equity and fixed income volatility. By studying the macroeconomic environment, BC seeks to gain a general bias as to the investment market condition to structure the client portfolio accordingly. By using a proprietary blend of volatility, macro-conditions, trend, and breadth of the major indexes, BC manages the portfolio, asset allocation, and cash holdings of client accounts.

#### Separately Managed Account Review and Monitoring

BC conducts portfolio research to assess changing market conditions and asset performance. BC conducts a quarterly review and an annual oversight of the market conditions, performance, and client portfolios, while monitoring both qualitative and quantitative attributes.

#### ETF Investment Strategy

The Bridges Capital Tactical Equity ETF is an actively managed, diversified ETF that seeks to achieve its investment objective by investing in a blend of passively managed U.S. equity ETFs, large-capitalization equity securities and cash or cash equivalents. The allocation and rebalancing of the ETF's investments is based on proprietary analysis by BC of macroeconomic events, changing market breadth, and volatility.

It is expected that the ETF will generally hold 5 to 20 holdings with approximately 75% of its assets invested in other ETFs. Investments will be selected from a universe that includes large-capitalization U.S. equity securities and passively managed ETFs tracking U.S. small, mid- and large-capitalization equity indexes, including but not limited to the S&P 500 Index, the Nasdaq-100 and the Russell 2000 Index. For purposes of the ETF's investments, BC considers large-capitalization securities to consist of the top 10 holdings in both the Nasdaq-100 and the S&P 500 Index. BC will deduct for overlap between the two indexes and remove some names based on its proprietary valuation and volatility analysis. Under normal circumstances, BC expects the ETF to invest 80% of its net assets (plus borrowings for investment purposes) in common stocks and shares of ETFs that invest primarily in common stocks.

#### Risk of Loss

Investing in securities and other financial instruments involves risk of loss that clients should be prepared to bear. Summarized below are certain important risks for clients and prospective clients to consider.

- Securities of ETFs and other Investment Companies: BC recommends exchange traded funds (ETFs) or securities of other investment companies, such as shares of closed-end investment companies, unit investment trusts, and open-end investment companies. These types of investments represent interests in professionally managed portfolios that can invest in any type of instruments. Investing in ETFs and other investment companies involves substantially the same risks as investing directly in the underlying securities, but it involves additional expenses at the investment company level, such as a proportionate share of portfolio management fees and operating expenses. Certain types of investment companies, such as closed-end investment companies and ETFs, are exposed to other risks: (1) ETFs or closed-end fund shares may trade above or below their net asset value; (2) an active trading market for ETFs or closed-end fund shares may not develop or be maintained; or (3) trading of ETFs or closed-end fund shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers: (which are tied to large decreases in stock prices) halts stock trading generally.

- *Derivative Securities Investing:* Some of the underlying fund managers may use options, swaps, futures contracts, forward agreements and other derivatives contracts. Transactions in derivative instruments present risks arising from the use of leverage (which increases the magnitude of losses), volatility, the possibility of default by a counterparty and illiquidity. Use of derivative instruments for hedging or speculative purposes by the underlying fund managers could present significant risks, including the risk of losses in excess of the amounts invested.
- *Risk Related to Funds Not Registered:* The client may invest in funds that are not registered as investment companies under the Investment Company Act and, therefore, the client will not have the benefit of various protections afforded by the Investment Company Act with respect to its investment in underlying funds. In addition, some underlying fund managers will not be registered as investment advisers under the Advisers Act in reliance on certain exceptions from registration under that Act. In such cases, underlying fund managers will not be subject to various disclosure requirements that would apply to registered advisers. As an investor in the underlying funds managed by fund managers that are not registered as investment advisers, the client will not have the benefit of certain of the protections of the Advisers Act.
- *Security Selection Risk:* The value of an individual security and, similarly, the value of an investment in that security, may rise or fall. BC's investment processes for a particular strategy may favor specific securities, industries or sectors that underperform investments in other securities, industries, sectors, or the market generally.
- *Management Risk:* Actively managed strategies are subject to management risk. BC's portfolio advisor applies investment techniques and risk analyses in making investment decisions, but there can be no guarantee that these techniques will produce the desired results. Additionally, the securities selected by BC may underperform the markets in general, the account's benchmark and other accounts with similar investment objectives. BC is not able to control the investments or operations of the underlying assets. An underlying fund manager may employ investment strategies that differ from its past practices and are not fully disclosed to BC and that involve risks that are not anticipated by BC. Some managers may have a limited operating history, and some may have limited experience in executing one or more investment strategies to be employed for its fund. Furthermore, notwithstanding BC's risk monitoring of the underlying manager and its funds, there is no guarantee that the information and reports given to BC with respect to the Fund's investments will not be fraudulent, inaccurate, or incomplete.
- *Data Sources Risks:* BC uses external software applications to analyze performance attribution and to assist in investment decision making or investment research. As a result, if information that BC receives from a third-party data source is incorrect, BC may not achieve the desired results. Although BC has found the third-party data sources to be generally reliable, BC typically receives these services "as is" and cannot guarantee that the data received from these sources is accurate.
- *Technology and Cyber Security Risks:* BC and our clients for whom we provide services depend heavily on telecommunication, information technology and other operational systems, whether BC's or those of others (e.g., custodians, financial intermediaries, transfer agents and other parties to which BC or they outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond BC's control. Further, despite implementation of a variety of risk management and security measures, BC's information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a

failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, as well as failures or breaches suffered by the issuers of securities in which BC's strategies invest, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business or the portfolios of clients and funds BC manages.

- *Risks Related to Regulation:* Laws and regulations affecting our business change from time to time. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.
- *Risks Related to Conflicts of Interest:* Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact us if you have any questions.

### Bridges Capital Tactical Equity ETF Risks

In addition to the risks of ETF investing described above, Bridges Capital Tactical Equity ETF investors should read the prospectus and SAI for a complete description of risks inherent in an investment.

## **Item 9 – Disciplinary Information**

BC is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BC or the integrity of BC's management. BC reviews advisory personnel records on a periodic basis to ensure that no disciplinary events have been reported. BC has no legal or disciplinary events in response to this Item.

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

BC's Managing Member is also a Certified Public Accountant. For certain clients, at their discretion, BC's Managing Member will provide accounting services that may include bookkeeping, tax advisory, tax preparation, and financial statement preparation. Fees charged for accounting services are separate and apart from the investment advisory fees charged to manage client assets. The Managing Member does not provide Auditing or Attest services.

### **Conflict of Interest Disclosure**

- If BC's Managing Member prepares client's taxes and/or provides other services as a CPA, conflicts of interest may arise. BC seeks to minimize these conflicts by disclosing the conflict within this Brochure and through the Managing Member's management of the client portfolio in-line with other client portfolios regardless of whether the client is an accounting client or not.

- **Personal Trading:** In order to avoid any conflict of interest, if BC or any representative conducts trading for their personal account in securities also being traded around the same date for BC clients, all trades must be conducted using the Block and/or Aggregation of trades that is consistent with all other client accounts. Allocation of these Block and/or Aggregation trades will be made in a manner that does not favor personal or any client account. The exception to this rule on Block and/or Aggregation trades is when trades are placed that would not be in-line with client risk or goals but are aligned with the personal trading goals. Examples of these exceptions include trades placed in Leveraged ETFs, Short Position ETFs, Option Contracts, Futures Contracts, or when liquidity is sought from a held position.
- **ETF Sponsor:** BC will be a sponsor of the Bridges Capital Tactical Equity ETF. In this capacity, BC has entered into a separate agreement with Empowered Funds to bear the costs and fees of launching the ETF on BC's behalf. In return for bearing the fees and expenses of the ETF, BC, as fund sponsor, is entitled to the profits of the ETF after all expenses of the ETF are paid. As stated above, BC will be the non-discretionary sub-adviser to ETF upon appropriate registration with the SEC and approval of the ETF's registration statement. Board approval will also be required.

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

### General

BC has adopted a Code of Ethics and maintains this Code of Ethics as required by applicable SEC rules. BC's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, requiring employees to put client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. The Code of Ethics incorporates our insider trading policies and personal trading policies that are described in greater detail below. All officers, partners and employees of BC are deemed to be "Access Persons" and are subject to the Code of Ethics. BC's employees are required to report any violation of the Code of Ethics promptly to our Chief Compliance Officer.

BC will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at BC's principal address shown on the cover page of this Brochure.

### Policy on Insider Trading

BC's Code of Ethics includes the firm's policy prohibiting the use of material non-public information (MNPI). Our policies require our employees to immediately report the receipt of potential MNPI to the compliance and legal department. BC does not typically receive MNPI, however, if it receives such information, appropriate procedures are followed to establish a restricted or watch list. Any transaction in an issuer on the restricted list must be reviewed and approved by our compliance department.

### Personal Trading Policy

Access Persons of BC may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the express policy of BC that no person employed by BC shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

BC requires all Access Persons to provide annual securities holdings reports and quarterly transaction reports to BC's Chief Compliance Officer. Additionally, BC requires such Access Persons to obtain approval from the Chief Compliance Officer prior to investing in any IPO's, private placements (limited offerings), or exchange-traded products ("ETPs") in excess of \$10,000 (other than certain broad-based index ETPs).

BC requires that all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. BC's Chief Compliance Officer shall determine whether or not the Code of Ethics has been violated and recommend disciplinary action where appropriate.

As Sub-Adviser to the Bridges Capital Tactical Equity ETF, the Firm has a material financial interest in clients' purchase and sale of the ETF, which represents a conflict of interest. This arrangement and the manner in which the conflict is mitigated is described at length in Item 4 above.

## **Item 12 – Brokerage Practices**

### **Sub-Advised ETF Brokerage Practices**

For the Bridges Capital Tactical Equity ETF, BC does not select, nor recommend broker-dealers for effecting trades in the ETF. The adviser to the ETF is responsible for brokerage decisions.

### **Separately Managed Account Brokerage Practices**

BC places trades for its clients' accounts subject to its duty of best execution and other fiduciary duties. Generally, BC places trades at Interactive Brokers LLC or The Charles Schwab Corporation. BC may use other broker-dealers to execute trades for client accounts, based on the clients' preference, but this practice may result in additional costs to clients. The execution quality may be different from other broker-dealers. For clients that wish to maintain certain brokerage relationships (i.e., directed brokerage), BC does not negotiate commission rates and clients may pay higher commissions than they would have had if BC's recommended broker is utilized.

Occasionally, clients with directed brokerage may not get the same investment options as clients of Interactive Brokers LLC due to unavailability of the fund by the directed broker.

### **BC's Recommended Custodian/Broker**

BC seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. BC considers a wide range of factors, but not limited to:

- The combination of transaction execution services and asset custody services (generally without a separate fee for custody).
- The capability to execute, clear, and settle trades (buy and sell securities for client accounts).
- The capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs, etc.).
- Quality of services.

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees).
- Reputation and financial strength.
- Prior service to BC and our other clients.
- Availability of other products and services that benefit BC, as discussed in “Products and Services.”

#### Products and Services Available to us from Preferred Custodian/Broker

BC’s Recommended Custodian/Broker provides BC and our clients with access to brokerage trading, custody, reporting, and related services. Our Recommended Custodian/Broker also makes available various support services. Some of those services help BC manage or administer clients’ accounts; while others help manage and grow our business. Support services generally are available on an unsolicited basis) and at no charge to BC as long as our clients collectively maintain a minimum amount of their assets in accounts at these Preferred Custodian/Broker. If our clients, collectively, have less than that minimum amount, the Recommended Custodian/Broker may charge BC a quarterly service fee. The following is a more detailed description of the support services.

#### Services That Benefit Clients

BC’s Recommended Custodian/Broker brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through BC’s Recommended Custodian/Broker include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit our clients and the clients’ accounts.

#### Services That May Benefit our Clients

The Recommended Custodian/Broker also makes available other products and services that benefit BC but may not directly benefit our clients or our clients’ accounts. These products and services assist BC in managing and administering our clients’ accounts. The Recommended Custodian/Broker makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only BC

The Recommended Custodian/Broker also offers other services intended to help BC manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

The Recommended Custodian/Broker may provide some of these services directly. In other cases, it will arrange for third-party vendors to provide the services to BC. The Recommended Custodian/Broker may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees.



## Our Interest in Support Services

The availability of the services described above benefits BC because we do not have to produce or purchase them. BC does not have to pay for these services so long as our clients collectively keep a minimum amount of their assets in accounts at the Recommended Custodian/Broker. (Beyond that, these services are not contingent upon us committing any specific amount of business to the Recommended Custodian/Broker in trading commissions or assets in custody.) The required minimum amount may give us an incentive to recommend that clients maintain accounts with the Recommended Custodian/Broker, based on our interest in receiving services that benefit our business rather than based on our clients' interest in receiving the best value in custody services and the most favorable execution of client transactions. This could be considered a potential conflict of interest. BC believes, however, that our selection of the Recommended Custodian/Broker is in the best interests of our clients.

## Execution of Trades

BC may be able to obtain a better execution and negotiate more favorable brokerage commissions for its clients by aggregating orders in the same security with the objective of executing a block of stock for various clients. Whenever BC determines that it is in the client's best interest to aggregate/block client orders, it will attempt to execute the transactions in this manner.

For client accounts maintained at the Recommended Custodian/Broker, they may or may not be subjected to a separate custodial fee. BC reserves the right to charge an additional fee when client utilizes a custodian other than BC's Recommended Custodian/Broker. The fee may be up to .05%/year assessed on assets held with non-Recommended Custodian/Broker, subject to a \$2,000/year minimum. BC does not participate in fee sharing arrangements with any broker dealer in connection with preferred brokerage arrangements.

In providing its non-discretionary services, BC may assist clients in executing trades with the client's selected broker-dealer. BC may also assist non-discretionary consulting clients to execute trades by preparing and communicating to brokers any rebalancing recommendations.

BC is independently owned and operated and not affiliated with any of its Recommended Custodian/Broker.

Additional details about these custodian relationships are available upon request.

As a matter of policy, BC does not participate in soft dollar arrangements.

## Valuation of non-publicly traded securities that may be held in client accounts at custodian

In the case of non-publicly traded assets held in client accounts at a specific custodian, BC will rely on the valuation provided by the custodian and/or the independent valuation analysis provided by the company being held when computing client balances.

## **Item 13 – Review of Accounts**

### Separately Managed Account Review and Reporting Process

BC's performance reporting measures the progress of the total account, as well as each investment in the portfolio. Performance is measured at a minimum of an annual review in compliance with an

Investment Policy Statement, specifically developed for each client's investment objectives. The components of the BC performance report may include:

- Performance versus established benchmarks
- Measurement of risk and risk adjusted returns
- Relative ranking in peer group universes
- Schedule of asset allocation and investment style composition

Events warranting or triggering more frequent reviews may include such factors as: market conditions; changes in a client's investment objectives or financial condition; a manager deviating from their stated objectives or investment style; significant changes in a manager's personnel; and the regulatory environment.

Required disclosure information pertaining to investment managers, recommended by, but not affiliated with BC are described in detail in each respective manager's Form ADV Part 2A or equivalent disclosure documents, and should be obtained from those respective advisers selected by the client.

#### Bridges Capital Tactical Equity ETF Review and Reporting Process

Bridges Capital Tactical Equity ETF investors should consult the prospectus for information related to available statements and/or reports associated with an investment.

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

As noted above, BC is both a Sub-Adviser and sponsor of the Bridges Capital Tactical Equity ETF. This creates a potential conflict of interest because BC has an incentive to increase the sub-advised ETF's assets under management. One way BC may do so is to cause separately managed account client assets to invest in the ETF directly. However, to mitigate that conflict of interest, we will not invest separately managed account client assets in the Bridges Capital Tactical Equity ETF unless such action is in the best interest of the client when considering fees, expenses, and tax consequences. In no circumstance will we layer client fees by charging an asset management fee to clients invested in the Bridges Capital Tactical Equity ETF within a separately managed account structure.

### **Item 15 – Custody**

BC, as non-discretionary sub-adviser to the Bridges Capital Tactical Equity ETF, does not have custody of ETF assets.

Additionally, BC does not hold itself out as having custody over separately managed account client funds and securities. However, solely by deducting Investment Advisory Fees directly from client separately managed accounts, BC does have custody of client accounts.

As described in Item 5, Fees and Compensation section, BC both debits advisory fees from client accounts and directly bills clients. As part of the billing process, the client's custodian is advised of the amount of the

fee to be deducted from the client's account. Clients will receive an account statement from their custodian on at least a monthly basis, reflecting all transactions made within the account during the reporting period.

**All clients are urged to carefully review their custodial statements to verify accuracy. Clients should contact their custodians if they have any questions regarding their custodial statements.**

### **Item 16 – Investment Discretion**

BC has non-discretionary authority for the Bridges Capital Tactical Equity ETF. The agreement gives BC the authority to recommend portfolio positions and the timing of those positions to be traded (subject to restrictions set forth in the applicable Sub-Advisory Agreement and the ETF's prospectus and statement of additional information). The ETF's investment adviser conducts the trading and execution of those recommendations.

In order to provide a complete advisory business, BC executes discretionary trading authority on behalf of its separately managed account clients. BC's authority is limited to the client application and trading authorization with the custodian, along with the investment policy statement filled out on account opening and account reviews. This discretionary authority is further limited to prohibit withdrawals to non-preapproved accounts or addresses on behalf of the client, changing titling and beneficiary designations and linking of accounts. Transactions of those kind require client to execute the appropriate forms within their own account management screen within the custodian's system.

### **Item 17 – Voting Client Securities**

BC will not provide proxy voting guidance to the adviser of the Bridges Capital Tactical Equity ETF.

BC does not accept authority to vote on client securities held in separately managed accounts.

BC's default setting for distributing shareholder communications (i.e.: voting rights) is electronic delivery. Under this method the account holder will receive an email notice when information becomes available for a security they hold from BC's processing agent, Mediant Communications. This notification will provide the necessary links for accessing the information and voting through the Internet in lieu of receiving these documents via postal service. The technology which you will need to secure the information includes access to the Internet and a web browser supporting secure connections. In addition, you will need to be able to read the documents online and print a copy provided your system supports documents in a PDF format.

Account holders may withdraw their consent to electronic delivery and revert to postal delivery at any time by submitting a request through the Message Center located with Account Management. Note that changes to delivery settings are not applied to shareholder materials where the record date has already been sent. Account holders may, therefore, continue to receive deliveries for certain securities via the existing method for a period of 2 to 4 weeks after requesting a change.

### **Item 18 – Financial Information**

BC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Under no circumstances does BC require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered, and as such, BC is not required to include a financial statement with this Brochure.

#### **Item 19 – Requirements for State-Registered Advisers**

As the Firm is SEC Registered, Item 19 is no longer applicable. See BC's Form ADV Part 2B, distributed separately, which details biographical information for Managing Member Raymond Bridges.