



**CORRECT CAPITAL**

Wealth Management

*Trust Matters.*

**FORM ADV PART 2A – FIRM BROCHURE**

**MARCH 26, 2024**

**CORRECT CAPITAL WEALTH MANAGEMENT, LLC.**

**130 SOUTH BEMISTON AVENUE, SUITE 602**

**CLAYTON, MO 63105**

**314-930-4015**

**WWW.CORRECTCAP.COM**

This brochure provides information about the qualifications and business practices of Correct Capital Wealth Management, LLC. ("Correct Capital"). If you have any questions about the contents of this brochure, please contact us at 314-930-4015. 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. Correct Capital is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Correct Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for Correct Capital is 298774.

## ITEM 2 – MATERIAL CHANGES

### SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our last annual ADV amendment update was dated February 15, 2023. The following material changes have been made:

- Item 4 and Item 5 have been amended to include language regarding our financial planning services and fees.

Currently, a free copy of our Brochure may be requested by contacting John Biedenstein at 314-930-4015, or [john@correctcap.com](mailto:john@correctcap.com). We encourage you to read this document in its entirety.

**ITEM 3 - TABLE OF CONTENTS**

ITEM 1 – COVER PAGE ..... 1

ITEM 2 – MATERIAL CHANGES ..... 2

ITEM 4 – ADVISORY BUSINESS ..... 4

ITEM 5 - FEES AND COMPENSATION ..... 9

ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT ..... 13

ITEM 7 - TYPES OF CLIENTS ..... 13

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS ..... 14

ITEM 9 - DISCIPLINARY INFORMATION ..... 20

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS ..... 20

ITEM 11 - CODE OF ETHICS ..... 22

ITEM 12 - BROKERAGE PRACTICES ..... 22

ITEM 13 - REVIEW OF ACCOUNTS ..... 26

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION ..... 26

ITEM 15 – CUSTODY ..... 27

ITEM 16 – INVESTMENT DISCRETION ..... 27

ITEM 17 – VOTING YOUR SECURITIES ..... 28

ITEM 18 – FINANCIAL INFORMATION ..... 28

## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Correct Capital Wealth Management, LLC (“Correct Capital” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Clayton, Missouri. We specialize in investment advisory services for individuals, high net worth individuals, corporations and other businesses, pension and profit-sharing plans, trusts, estates and charitable organizations. Our Firm was founded in 2018 as a registered investment adviser and is majority owned by Brian I. Pultman.

We are committed to helping clients build, manage, and preserve their wealth, and provide clarity and direction to help clients achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Correct Capital execute a signed Investment Management Agreement.

### INVESTMENT AND WEALTH MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities such as preferred stocks, commons stocks, Exchanged Traded Funds (“ETFs”), CDs, no-load or load-waived mutual funds, cash and fixed income positions in accordance with their stated investment objectives. All of which are considered asset allocation categories for the client’s investment strategy.

During discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan.

It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals or changes in their personal financial condition.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to review your portfolio periodically.

We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

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

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to manage and/or advise on certain investment products that are not maintained at their primary custodian,

such as variable life insurance, annuity contracts, 529 Plans and assets held in employer-sponsored retirement plans. In these situations, Correct Capital directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

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

---

## **FINANCIAL PLANNING**

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. For younger generational clients or clients in accumulation mode, on-going quarterly financial planning/coaching services are offered. A quarterly review and summary of Financial Planning and coaching is delivered to those who opt for this quarterly service. Services are agreed to between the Client and Correct Capital using a separate Financial Planning Agreement.

Clients should be aware a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser.

---

## **RETIREMENT PLAN CONSULTING SERVICES**

Retirement Plan Consulting Services includes providing participant enrollment meetings and assisting with participant education. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts and organizations.

When serving as an ERISA 3(21) investment advisor, the Plan Sponsor, and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement between our Firm and the Plan Sponsor. Under the 3(21) agreement, Our Firm provides the following services to the Plan Sponsor:

- Screen investments and make recommendations.
- Monitor the investments and suggests replacement investments when appropriate.
- Provide a quarterly monitoring report.
- Assist the plan sponsor in developing an Investment Policy Statement (“IPS”).
- Recommend QDIA alternatives.
- Recommend non-discretionary model portfolios.

We can also be engaged to provide Plan Consulting Services. Plan Consulting Services include financial education to Plan participants, participant seminars, benchmarking the Plan services, education to fiduciary committee members, and monitoring the service provider. The scope of education provided to participants will not constitute “investment advice” within the meaning of ERISA, and participant education will relate to general principles for investing and information about the investment options currently in the Plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

---

## **THIRD PARTY MONEY MANAGERS**

Our Firm may determine that engaging the expertise of an independent third-party money manager (“TPMM”) is best suited for the client’s account. If deemed appropriate for the client, our Firm will recommend utilizing an independent TPMM to aid in the implementation of investment strategies for the client’s portfolio. In certain circumstances, we may allocate a portion of a portfolio to the TPMM for separate account management based upon the client’s individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with the client, the client will engage directly with the TPMM for the management of those assets. These TPMMs shall assist our Firm in managing the day - to - day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies, and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

TPMMs selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the TPMM’s experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

The client is advised and should understand that:

- A TPMM’s past performance is no guarantee of future results;

- There is a certain market and/or interest rate risk which may adversely affect any TPMM's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to our Firm are guidelines only, and there is no guarantee that they will be met or not be exceeded.

TPMMs take discretionary authority to determine the securities to be purchased and sold for the client. Our Firm will work with the TPMM to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the client. In all cases, trading restrictions will depend on the TPMM and their ability to accommodate such restrictions.

We review the performance of our TPMMs on a periodic basis. More frequent reviews may be triggered by changes in the TPMM's management, performance or geopolitical and macroeconomic specific events.

Our Firm only enters into only a select number of relationships with TPMMs.

---

#### **DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are also reviewed by our Firm's Chief Compliance Officer in a best effort to determine that the recommendation to a client was reasonable or that the client has determined to make the rollover after being provided ample information about their options. No client is under any obligation to roll over plan assets to an IRA advised by our Firm or to engage our Firm to monitor and/or advise on the account while maintained with the client's employer. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding this disclosure.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also 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. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

---

**PARTICIPANT ACCOUNT MANAGEMENT (DISCRETIONARY)**

We use a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

---

**ENVESTNET PRIVATE WEALTH MANAGEMENT**

We offer separately managed account services through Envestnet's Private Wealth Management program. For all Programs, we will compile pertinent financial and demographic information to develop an investment program that will meet your goals and objectives. Utilizing the Envestnet platform tools, your assets will be allocated among the different options in the Program and determine the suitability of the asset allocation and investment options, based on your needs and objectives, investment time horizon, risk tolerance and any other pertinent factors.

Envestnet provide an extensive range of investment advisory services through their platform. We will primarily be utilizing the Unified Management Account ("UMA") program. For those clients selecting the UMA program, you are offered access to an actively managed investment portfolio chosen from a roster of independent asset managers from a variety of disciplines. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit your investing preferences.

Envestnet will assist Correct Capital in identifying individual asset managers and investment vehicles that correspond to the proposed asset classes and styles Envestnet may independently identify asset managers Envestnet retain the independent asset managers for portfolio management services in connection with the UMA program through separate agreements entered into between Envestnet and these independent managers on terms and conditions that Envestnet deems appropriate. Envestnet will additionally provide account billing and reporting for all CCWM clients.

---

**CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or advice. In these consultation engagements, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals. You must independently evaluate these firms before opening an account or transacting business, and you have the right to effect business through any firm you choose.



---

## WRITTEN ACKNOWLEDGEMENT OF FIDUCIARY STATUS

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 interest 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.

---

## ASSETS

As of December 31, 2023, we have \$806,536,678 in regulatory assets under management. We manage \$424,828,626 under discretionary management and \$381,708,052 under non-discretionary management.

## ITEM 5 - FEES AND COMPENSATION

---

### INVESTMENT MANAGEMENT FEES AND COMPENSATION

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account maintenance activities. Our Custodians charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for details.

Our management fee schedule is as follows:

ANNUAL FEE	ASSETS UNDER MANAGEMENT
<b>1.50%</b>	Up to \$250,000
<b>1.25%</b>	\$250,001 to \$1,000,000
<b>1.00%</b>	\$1,000,001 to \$5,000,000
<b>0.75%</b>	\$5,000,001 to \$10,000,000
<b>0.65%</b>	\$10,000,001 above

The specific advisory fees are set forth in your Investment Advisory Agreement with our Firm. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family-related accounts are charged a reduced fee for our services.

Fees are billed quarterly in advance based on the average daily balance of the account(s) during the previous quarter. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin account balances are not included in the fee billing. New accounts are billed at

the end of the quarter in which assets are transferred based on the quarter end balance. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. Other advisers may have higher or lower fees than Correct Capital. Dividends or trade date settlements may occur, and our third-party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian.

The independent and qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you at least a quarterly basis indicating all the amounts deducted from the account including our advisory fees. Client can elect to be directly billed as an alternative.

Unless instructed by the client, we will aggregate asset amounts in accounts from the same household together to determine the advisory fee for all accounts. We would do this, for example, where we also service accounts on behalf of minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow the client to benefit from an increased asset total, which could potentially cause the account(s) to be assessed a lower advisory fee. Either Correct Capital, or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination for the month in which the cancellation notice was given and the refunded.

Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of the client's death or disability, Correct Capital will continue the management of the account until we are notified of the client's death or disability and given alternative instructions by an authorized party. Mutual Funds and ETFs charge additional fees not included in Correct Capital's fee.

---

#### **RETIREMENT PLAN CONSULTING SERVICES**

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and as disclosed in the Employer Sponsored Retirement Plans Investment Agreement ("Plan Investment Advisory Agreement").

Typically, the billing period for these fees are paid quarterly. This fee is generally negotiable, but terms and advisory fee is agreed to in advance and acknowledged by the Plan Sponsor through the Plan Investment Advisory Agreement and/or Plan Provider's account agreement. Fee billing methods vary depending on the Plan Provider.

Plan advisory services begin with the effective date of the Plan Investment Advisory Agreement. For Plans where our fee is paid out of Plan assets, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Plan Investment Advisory Agreement.

Either party may terminate the Plan Investment Advisory Agreement at any time upon immediate notice. The client is responsible to pay for services rendered until the termination of the agreement.

---

#### **THIRD PARTY MONEY MANAGER ("TPMM") FEES AND SERVICES**

Fees and billing methods are outlined in each respective TPMM's Brochure and Advisory Contract. The client pays an on-going fee directly to the TPMM based upon a percentage of your assets under management

with respect to each TPMM. You will receive disclosure of all fees by the TPMM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPMM. The minimum account size will vary from TPMM to TPMM. All such minimums will be disclosed in the respective TPMM's Brochure. We may have the ability to negotiate such minimums for you. The fee to Correct Capital is typically an added fee to the fee you pay the TPMM. Details are discussed with you and are disclosed in the management agreements.

You may terminate your relationship in accordance with the respective TPMMs' disclosure documents. We may recommend you terminate the relationship with a TPMM. Factors involved in the termination of a TPMM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPMM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPMM on our list of approved TPMMs.

Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through Correct Capital or available elsewhere. Investment management programs may differ in the services provided, and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see the complete details in the program brochure and custodial account agreement for each program recommended and offered.

---

## **FINANCIAL PLANNING FEES**

Fees for financial planning services will vary based on the extent and complexity of your individual or family circumstances, your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through Correct Capital. Correct Capital offers one-time financial plans for a fixed fee. Financial Planning fees range from \$2,500 to \$10,000.

For younger generational clients or clients in accumulation mode, on-going quarterly financial planning/coaching services range from \$900- \$2000. This fee is agreed to between the Client and Correct Capital using a separate Agreement. Financial planning services can be terminated at any point by either Correct Capital or the client.

Typically for a one-time financial plan, we complete and present a plan to you within 120 days of the contract date, provided all information needed to prepare the financial plan is provided on a timely basis. Your billing method is agreed to in advance of performing services and is agreed to and acknowledged in the Financial Planning Agreement executed by you and our Firm. Fifty percent (50%) of the Financial Planning Fee is collected upon signing the Financial Planning agreement and the other fifty percent is due upon delivery of the Plan to you.

For the ongoing financial planning services, we complete and present a financial planning status report to you on a quarterly basis, provided all information needed to prepare a report is provided on a timely basis. Your billing method is agreed to in advance of performing services and is agreed to and acknowledged in the Financial Planning Agreement executed by you and our Firm. Ongoing financial planning fees are typically billed quarterly in advance.

Financial Planning fees can be paid via check to Correct Capital or can be invoiced and processed through a third-party nonaffiliated service, AdvicePay. With AdvicePay, Clients will be asked to set up their bank account or credit card at AdvicePay to enable credit card or ACH payments. While AdvicePay allows firms like Correct Capital to receive payments directly from the client's credit card or bank account, it does not

give Correct Capital access to the bank account itself, nor to any of the client's credit card or bank account information. Correct Capital is not able to initiate any additional payments via AdvicePay as agreed upon and outlined in the Agreement.

Financial planning services can be terminated at any point by either Correct Capital or the client. You may terminate the Financial Planning Agreement by providing us with written notice. In the event you terminate your Financial Planning Agreement before your Plan is delivered, we will bill you for the time spent in preparing your Plan based on an hourly rate not to exceed \$250/hr. Any prepaid fees will be refunded to you for services that are not rendered. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering financial planning services to recommend products or services for which Correct Capital receives compensation. However, Correct Capital will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial-planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

---

#### **ENVESTNET ADVISORY FEES**

The fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees may be negotiated in rare instances. Fees will generally be automatically deducted from your managed account. In rare cases, our firm agrees to direct invoice.

There is a program fee (each, a "Program Fee") that will not exceed a combined rate of 1.5%. The level of the Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Program Fees are calculated as an annual percentage of the assets under management based on the market value of the account at the end of each quarter. Unless otherwise agreed to by you, Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. Since Envestnet bills clients individually, they deduct the Program Fees from your accounts and make the appropriate disbursements.

---

#### **CONSULTING FEES**

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with the client. The range of fees for Consulting Services may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement.

---

#### **ADMINISTRATIVE SERVICES PROVIDED BY BLACK DIAMOND**

We have contracted with Black Diamond to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation, client relationship maintenance, performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond will have access to client accounts, but does not serve as an investment adviser to our clients or bill the accounts. Correct Capital and Black Diamond are non-affiliated companies. Black Diamond charges our Firm an annual fee for each account administered by its software. Please note that the fee charged to the client will not increase due to the annual fee Correct Capital pays to Black Diamond.

---

## **ADDITIONAL FEES AND EXPENSES**

In addition to the advisory fees paid to our Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges will include securities transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund company or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Correct Capital’s brokerage practices are described at length in Item 12, below. Legacy assets that pay a trail will be received by supervised persons of Correct Capital. Further, our Firm does not share in any of these additional fees and expenses outlined above.

Correct Capital may include mutual funds and exchange-traded funds (“ETFs”) in our investment strategies. Correct Capital’s policy is to purchase institutional share classes of those mutual funds selected for the client’s portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client’s account performance. Mutual fund expense ratios are in addition to the Correct Capital fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, Correct Capital may use them in the client’s portfolio, and/or convert the existing mutual fund position to the lower-cost share class. Clients who transfer mutual funds into their accounts with Correct Capital would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client’s transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

The mutual fund and exchange-traded fund companies that choose to participate in your custodian’s NTF fund program pay a fee to be included in the NTF program. The fees paid by these companies to participate in the program are ultimately borne by the owners of the mutual fund or exchange-traded fund including clients of our Firm. When we decide whether to choose a fund from your custodian’s NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

## **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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

## **ITEM 7 - TYPES OF CLIENTS**

Correct Capital offers investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Our Firm maintains a \$500,000 minimum in aggregate investable assets. In certain instances, at the discretion of our Firm, this minimum may be waived.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Correct Capital Wealth Management analyzes securities we may use for Client's accounts based upon two methodologies:

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

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

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

We also may determine to overweight or underweight a certain market sector or market capitalization of a security based on our assessment of the various datapoints.

We utilize our model portfolios as a guide to build efficient portfolios for each Client, based upon your risk profile and objectives and the resulting correlation between your needs and each model.

As long-term investors (we typically hold positions for 24 months, although market conditions can impact our decision making), we define our entrance and exit strategies for individual security positions. Of course, we utilize asset allocation and protect portfolios by limiting the exposure of any one equity security, typically (but not always) to 10% or less of the portfolio value at purchase. In addition to asset allocation, we also use beta and standard deviation that coincide with our risk / reward assumptions.

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

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

We can also purchase, sell or hold:

- Individual stocks
- Bonds
- ETFs
- UITs
- Mutual Funds

---

#### RETIREMENT PLANS:

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

---

#### RISK OF LOSS

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or general declines.

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

- **MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money, and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.

- **EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **PERFORMANCE OF UNDERLYING MANAGERS** - We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **LIQUIDITY RISK:** Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer.
- **DEFAULT RISK** - A default occurs when an issuer fails to make payment on a principal or interest payment.
- **EVENT RISK** - Event risk is difficult to predict because it may involve natural disasters such as earthquakes or hurricanes, as well as changes in circumstance from regulators or political bodies.
- **POLITICAL RISK** - Political risk is the risk associated with the laws of the country, or to events that may occur there. Particular political events such as a government's change in policy could restrict the flow of capital.
- **DURATION RISK** - Duration is a way to measure a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a method to compare how different bonds will react to interest rate changes. If a bond has a duration of five (5) years, it means that the value of that security will decline by approximately five percent (5%) for every one percent (1%) increase in interest rates.
- **REINVESTMENT RISK:** Reinvestment risk is the risk that future interest and principal payments may be reinvested at lower yields due to declining interest rates.
- **TAX RISK:** For municipal bonds, depending on the client's state of residence, the interest earned on certain bonds may not be tax-exempt at the state level. Also, changes in federal tax policy may impact the tax treatment of interest and capital gains of an investment.
- **REGULATORY RISK:** Market participants are subject to rules and regulations imposed by one or more regulators. Changes to these rules and regulations could have an adverse effect on the value of an investment.
- **CONCENTRATION RISK:** The risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to your overall portfolio.
- **SECURITIES LENDING RISK** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the



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

- **CYBERSECURITY RISK** - In addition to the Material Investment Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including those certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **COMMODITIES RISK** - Exposure to commodities in Adviser Clients accounts is in non-physical form, such as ETFs or mutual funds, there are risks associated with the movement in gold prices and the ability of the fund or trust manager to respond or deal with those price movements. There also may be initial charges as well as annual management fees associated with the fund or trust.
- **OPTION RISK:** Variable degree of risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs.
  - The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote.
  - Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

- Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.
- **RESPONSIBLE INVESTING AND ESG RISK:** clients utilizing responsible investing strategies and environment, social responsibility, and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. This strategy may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature, and our firm may rely on analysis and 'scores' provided by third parties in determining whether an issuer meets our firm's standards for inclusion or exclusion. A client's perception may differ from our firm or a third parties on how to judge an issuers adherence to responsible investing principles.
- **MARGIN RISK:** When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by your custodian.
- **NON-LIQUID ALTERNATIVE INVESTMENTS:** From time to time, our Firm will recommend to certain qualifying clients that a portion of such clients' assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, "Nonliquid Alternative Investments"). Nonliquid Alternative Investments are not suitable for all of our Firm's clients and are offered only to those qualifying clients for whom our Firm believes such an investment is suitable and in line with their overall investment strategy. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or "qualified client" under the Investment Advisers Act of 1940, or "qualified purchaser" under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for our Firm's clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all of its assets in real estate properties,

there are additional risks that are unique to real estate investing, including but not limited to: limitations of the appraisal value; the borrower's financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

- **ALTERNATIVE STRATEGY MUTUAL FUNDS OR ETFs.** Certain ETFs and mutual funds we may use in our models and accounts invest primarily in alternative investments and/or strategies. Investing in these alternative investments / strategies may not be suitable for all our Clients. These include special risks, such as those associated with commodities, real estate, and leverage, selling securities short, use of derivatives, potential adverse market forces, regulatory changes and potential ill-liquidity. There are special risks associated with ETFs that invest principally in real estate securities, such as sensitivity to changes in real estate values and/or changes in interest rates and price volatility due to the ETF's concentration in the real estate market.
- **CRYPTOCURRENCY RISK** - Cryptocurrency (notably, bitcoin), often referred to as "virtual currency", "digital currency," or "digital assets," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. If deemed appropriate, Clients may have exposure to bitcoin, a cryptocurrency. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies (i.e., bitcoin) may experience very high volatility. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to its relatively recent launch, bitcoin has a limited trading history, making it difficult for investors to evaluate investments in this cryptocurrency. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the bitcoin network. Bitcoin transactions are irreversible such that an improper transfer can only be undone by the receiver of the bitcoin agreeing to return the bitcoin to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

## ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client, or prospective client's, evaluation of our advisory business or the integrity of our management. Our Firm has not been subject to any legal or disciplinary events to disclose.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### THIRD PARTY MONEY MANAGER RELATIONSHIPS

Please refer to Item 4 and Item 5 above for more information about the selection of TPMMs used with our investment services. Our Firm will invoice separately for Correct Capital's portion of the advisory fee. A conflict of interest may arise for our Firm when utilizing a TPMM due to the receipt of discounts or services that are not available to us from another similar TPMM. In order to minimize this conflict, our Firm will make our recommendations and selections of TPMMs in the best interest of our clients.

### RELATED BROKER-DEALER

Certain Investment Adviser Representatives ("IAR") of Correct Capital are FINRA registered representatives of Purshe Kaplin and Sterling Inc. ("PKS") a full-service broker-dealer, member FINRA/SIPC, which compensates our IARs for effecting securities transactions. When placing securities transactions through PKS in their capacity as registered representatives, they may earn sales commissions. Because the IARs are dually registered agents of PKS and Correct Capital, PKS has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. PKS and Correct Capital are not affiliated companies. IARs of Correct Capital spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, PKS engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Correct Capital or its IARs, investments in securities may be recommended for clients. If PKS is selected as the broker-dealer, PKS and its registered representatives, may receive commissions for executing securities transactions. However, no commissions will be assessed on assets under Correct Capital management.

You are advised that if PKS is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you have the right to decide whether or not to purchase securities through PKS.

Moreover, you should note that under the rules and regulations of FINRA, PKS has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require PKS to coordinate with and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than PKS. PKS may collect, as paying agent of Correct Capital, the investment advisory fee remitted to Correct Capital by the account custodian. PKS may retain a portion of the investment advisory fee you pay, as a charge for the functions it performs, and such portion may be further re-allowed to other registered representatives of PKS. The charge will not increase the advisory fee you have agreed to pay Correct Capital. IARs, in their capacities as registered representatives (not acting as IARs), may offer advisory clients securities or other products. These registered representatives typically receive compensation, commissions and/or trailing 12b-1 fees. In addition, PKS will receive additional compensation when clients transact in certain products. Therefore, a conflict of interest exists between the interests of these individuals, PKS and those of the advisory clients. When recommending commissionable products to clients,

we have a duty to only recommend products that are suitable for the client. In addition, clients are under no obligation to act on any recommendations of these individuals or place any transactions through them if they decide to follow their recommendations. NOTE: Our IARs who receive compensation on the sale of security in their capacity as a Registered Representative of PKS are prohibited from concurrently receiving an investment advisory or consultation fee on those assets in their capacity as an IAR of Correct Capital.

Clients should be aware that the ability to receive additional compensation by Correct Capital and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Correct Capital acts in the best interest of clients as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase the recommended investment products from our IARs;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients. Conflicts of interests are properly addressed with our clients, disclosed in our Firm documents and mitigated by our Firm's policies and procedures.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

---

## **INSURANCE**

Some of our IARs are licensed insurance agent and sell various life insurance products, long term care and fixed annuities through the licensed insurance agency. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. IARs spend a portion of their time in connection with these insurance activities and it represents ongoing revenue for our IARs. The IAR has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

## ITEM 11 - CODE OF ETHICS

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Correct Capital, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

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

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

---

### INVESTMENT POLICY

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: John Biedenstien, Chief Compliance Officer.

## ITEM 12 - BROKERAGE PRACTICES

We generally recommend that clients utilize the custody, brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") and Charles Schwab & Co., Inc ("Charles Schwab") (defined in this document as "Custodian(s)") for investment management accounts. We may recommend other custodians beside Fidelity and Charles Schwab based on your needs and the services offered.

We recommend that you establish accounts with these Custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our Custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these Custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian. The Custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case.

Custodian(s) provides various benefits and payments to registered investment advisers that are new to the Custodial platform to assist the firm with the costs associated with starting a Registered Investment Advisory firm and transitioning the business to Custodian (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, initial registration, compliance assistance, legal assistance, and technology expenses incurred as a result of the firm transitioning to Custodian's custodial platform. The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Firm.

The receipt of Transition Assistance by Correct Capital creates conflicts of interest relating to Correct Capital's advisory business because it creates a financial incentive for Correct Capital to recommend that its clients maintain their accounts with Custodian. Correct Capital attempts to mitigate these conflicts of interest by evaluating and recommending that clients use Custodian's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by Correct Capital. Correct Capital considers Custodian's execution capability when recommending or requiring that clients maintain accounts with Custodian. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in an account at Custodian.

Some of the other Custodian's products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

We are independently owned and operated and not affiliated with these Custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions. The Custodian's execution quality may be different than other broker-dealers.

Many of these services generally may be used to service all or a substantial number of our accounts. The Custodians also make available to us other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The Custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

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

There is no direct link between our participation in a Custodian's platform and the investment advice we give to our clients. We/you may receive economic benefits through our participation in the platforms that may not be available to other advisors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The Custodians may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by the Custodians through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to the Custodians. As part of our fiduciary duties to clients, we endeavor at all times to act in the best interest of our clients. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of the Custodians for custody and brokerage services.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Custodian's execution quality may be different than other Custodians.

Our Firm annually reviews the relationship between our Custodian, Correct Capital and the client in order to determine if the custodial relationship is in the best interest of the client.

---

#### **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.



---

## **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash
- With respect to sale allocations, allocations may be given to accounts low in cash
- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed
- If a pro-rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation
- We will document the reasons for any deviation from a pro-rata allocation.

---

## **TRADE ERRORS**

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

---

## **DIRECTED BROKERAGE**

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

## ITEM 13 - REVIEW OF ACCOUNTS

### ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES

The Firm monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Investment Committee and/or investment adviser representatives and are intended to fulfil the Firm's fiduciary obligations to their advisory clients. All advisory clients are encouraged to discuss their needs, goals and objectives with Correct Capital and to keep the Firm informed of any changes thereto. Correct Capital contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial and/or investment objectives.

### STATEMENTS AND REPORTS

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from the Firm and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from the Firm or an outside service provider.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Affiliated or unaffiliated persons ("promoters") may, from time to time, refer, solicit, or introduce clients to our Firm. Our Firm may compensate certain promoters consistent with the requirements of applicable law and regulation, including the Advisers Act as well as applicable state/local laws and regulations. We may pay a promoter a recurring fee, a one-time fee or a portion of the advisory fees or revenues that we earn for managing client or investor assets referred to us by the promoter. The costs of such referral fees are typically paid entirely by our Firm and do not result in any additional charges to the client or investor.

We pay a flat fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program provides information about investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The flat fee we pay for being provided with potential leads varies based on certain factors, including the size of the person's portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

## ITEM 15 – CUSTODY

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

### DEDUCTION OF ADVISORY FEES

For all accounts, our Firm has the authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from Correct Capital. When the client has questions about their account statements or fee deductions, the client should contact Correct Capital or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

### STANDING LETTERS OF AUTHORIZATION ("SLOA")

Our Firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest in any of the accounts we are deemed to have custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from us. When the client has questions about their account statements, the client should contact us, the client's Adviser or the qualified custodian preparing the statement.

## ITEM 16 – INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Correct Capital to provide investment advisory services, you will enter into a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the custodian to authorize and enable Correct Capital, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange, and trade any stocks, bonds or other securities or assets, (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by Correct Capital for you are:

- For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.

- Any limitations on this discretionary authority shall in writing as indicated on the Investment Advisory Agreement. You may change/amend these limitations as required.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer-sponsored account.

## ITEM 17 – VOTING YOUR SECURITIES

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 314-930-4015.

**Class Action Suits** A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

## ITEM 18 – FINANCIAL INFORMATION

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