

Priebe Wealth Holdings, LLC D/B/A Magnetic North Advisors

WRAP PROGRAM

6900 Wedgwood Road
N, Suite 465 Maple
Grove, MN 55311

(763) 543-3803

www.magneticnorthadvisors.com

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This brochure provides information about the qualifications and business practices of Priebe Wealth Holdings, LLC dba Magnetic North Advisors (hereinafter "Magnetic North " or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

There are no material changes in this brochure from the last annual updating amendment to this Wrap Fee Program Brochure on 01/30/2023. Material changes relate to Magnetic North 's policies, practices or conflicts of interests only.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business.....	4
Item 5. Account Requirements and Types of Clients	12
Item 6. Portfolio Manager Selection and Evaluation	12
Item 7. Client Information Provided to Portfolio Managers	15
Item 8. Client Contact with Portfolio Managers	15
Item 9. Additional Information	15

Item 4. Advisory Business

The Magnetic North Wrap Program (the "Program") is an investment advisory program sponsored by Magnetic North. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Other services besides our wrap program are described in our ADV Part 2A brochure. Prior to Magnetic North rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Magnetic North setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Magnetic North filed for registration as an investment adviser in September 2020 and is owned by Jason Priebe and Austin Boniface. As of the date of this filing, Magnetic North has \$403,987,927 in assets under management on a discretionary basis.

While this brochure generally describes the business of Magnetic North, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Magnetic North's behalf and is subject to the Firm's supervision or control.

Magnetic North provides advisory services through certain programs sponsored by LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer. Magnetic North provides its wrapped services pursuant to this brochure through the Strategic Wealth management II Program ("SWM II") which allows Magnetic North to direct and manage specified client assets at LPL. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

Description of the Program

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with LPL Financial ("LPL"), or another broker-dealer that Magnetic North approves under the Program (collectively "Financial Institutions").

Magnetic North assists its clients in developing an appropriate strategy for managing their assets.

Clients' investment portfolios are managed on a discretionary basis by Magnetic North's investment adviser representatives. Magnetic North generally allocates clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

Financial Planning and Consulting Services

Magnetic North offers clients a broad range of financial planning and consulting services, which include any or all of the following functions: Business Planning, Cash Flow Forecasting, Trust and Estate Planning, Financial Reporting, Investment Consulting, Insurance Planning, Retirement Planning, Risk Management, Charitable Giving, Distribution Planning, Tax Planning, and Education Planning.

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, Magnetic North is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Magnetic North recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Magnetic North or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Magnetic North under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Magnetic North's recommendations and/or services.

Wealth Management Services

Magnetic North provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary management of investment portfolios.

Magnetic North primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs") and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. In addition, Priebe may use other securities as well when appropriate in light of a client's investment objectives.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage Magnetic North to manage and/or advise on certain investment products that

are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Magnetic North 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.

Magnetic North tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Magnetic North consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Magnetic North if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Magnetic North determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

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.

Fees for Participation in the Program

The Program fee is fee based upon assets under management (sometimes referred to as the "Program Fee"). Additionally, certain of the Firm's Supervised Persons, in their individual

capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

Management Fees

Magnetic North offers investment management services for an annual fee based on the amount of assets under the Firm's management. The maximum fee is 165 basis points (1.65%), depending upon the size and composition of a client's portfolio, the type and amount of services rendered and the individual(s) providing the services.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Magnetic North on the last day of the previous quarter as determined by an independent third-party which includes the client's custodian.

If assets 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 at the end of that quarter to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Magnetic North can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Magnetic North for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

Fee Comparison

As referenced above, a portion of the fees paid to Magnetic North are used to cover certain securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in less transactions, or transactions that cost less to the Firm, including the use of mutual funds that do not have transaction charges, but have higher expenses

to the client. The Firm reviews the frequency and type of investments made in client accounts to act in the client's best interest.

Fee Discretion

Magnetic North may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes. The LPL programs, including SWM II are subject to maximum fees, depending on which program is used.

Other Charges

In addition to the advisory fees paid to Magnetic North, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commission for assets not held with LPL (such as 401(k) or 529 plan assets), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. In addition, LPL charges certain account and service fees that are not included in Magnetic North's Program Fees. Those can include (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for administration of alternative investments or for foreign securities. Clients can see the Fee Schedules in the LPL account documents for more information. These fees are not charged by Magnetic North nor does Magnetic North share in any of these fees.

A conflict of interest exists where the Firm avoids expenses by trading through a different Financial Institution or purchases securities that cost the client more, but don't result in an expense to the Firm.

Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that Magnetic North pays LPL transaction charges for those transactions. The transaction charges paid by Magnetic North vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Because Magnetic North pays the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that this results in an incentive for the Firm to choose a cheaper option or trade less frequently in an SWM II account.

In many instances, LPL makes available mutual funds in an SWM II account that offer various

classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

Magnetic North has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline Magnetic North, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, Magnetic North pays LPL a per transaction charge for mutual fund purchases and sales in the account. Magnetic North generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to Magnetic North of transaction charges generally may be a factor Advisor considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to Magnetic North for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between Magnetic North and the client. In short, it costs Magnetic North less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees.

Additional LPL Disclosures

LPL serves as program sponsor, investment advisor and broker-dealer for most of the LPL advisory programs. Magnetic North receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the type and size of the account, type of securities held in the account, changes in its value over time, the ability to negotiate fees or commissions, the historical or expected size or number of transactions, and the number and

range of supplementary advisory and client-related services provided to the client, the amount of this compensation may be more or less than what Magnetic North would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

The account fee may be higher than the fees charged by other investment advisors for similar services. Clients should consider the level and complexity of the advisory services to be provided when negotiating the account fee (or the advisor fee portion of the account fee, as applicable) with Magnetic North.

Please refer to the relevant LPL Form ADV program brochure for a more detailed discussion of conflicts of interest.

Direct Fee Debit

Clients provide Magnetic North with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Magnetic North.

Account Additions and Withdrawals

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

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Magnetic North (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Magnetic North.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of LPL, can provide securities brokerage services and implement

securities transactions under a separate commission based arrangement. Supervised Persons are entitled to a portion of the brokerage commissions paid to LPL, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Magnetic North can also recommend no-load or load-waived funds, where no sales charges are assessed, but where the Supervised Person receives other forms of compensation. Prior to effecting any transactions, clients are required to enter into a separate account agreement with LPL.

A conflict of interest exists to the extent that a Supervised Person of Magnetic North recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation as a result of that recommendation (the "Brokerage Relationship"). Because the Supervised Persons receive compensation in connection with the sale of securities in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons, have an incentive to recommend more expensive securities or services to clients where such Supervised Persons earn more compensation with respect to the sale of such securities through the Brokerage Relationship rather than through an advisory relationship with the Firm. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Clients should understand that the investments made in the Brokerage Relationship are not receiving advisory services from the Firm. Therefore, the Firm does not have a fiduciary duty over the Brokerage Relationship recommendations. An additional conflict exists because LPL is affiliated with the custodian that the Firm recommends for advisory clients, as described below.

In addition, LPL is responsible for supervising certain activities of Magnetic North to the extent Magnetic North manages assets at a broker/dealer and custodian other than LPL. LPL charges a fee to Magnetic North for this oversight. This presents a conflict of interest in that Magnetic North has a financial incentive to recommend that clients maintain their accounts with LPL rather than another custodian in order to avoid the oversight fee.

LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Magnetic North's clients, even if client does not establish any account through LPL.

Compensation for Recommending the Program

Magnetic North has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

Item 5. Account Requirements and Types of Clients

Magnetic North offers services to individuals, trusts, estates, charitable organizations, corporations, and pension and profit sharing plans.

Item 6. Portfolio Manager Selection and Evaluation

Clients' investment portfolios are managed directly by Magnetic North.

Side-By-Side Management

Magnetic North does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Methods of Analysis and Investment Strategies

Magnetic North uses five different investment objectives when building models: Income with Capital Preservation (20%-40% equity exposure), Income with Moderate Growth (40-60% equity exposure), Growth with Income (55-80% equity exposure), Growth (70-90% equity exposure), & Aggressive Growth (80-100% equity exposure). The Firm mainly uses ETFs and Mutual Funds although may use other securities when appropriate when building out a diversified portfolio to meet the specific objective for each model. Magnetic North reviews models at least quarterly to ensure model integrity, holding performance, and strategic positioning. The Firm may also take a tactical approach to model positioning and may choose to rebalance, or make model changes independent of a quarterly review based on market conditions. Magnetic North relies on Morningstar, LPL, and various investment firms and other third parties for insights on strategic and tactical positioning, but also for individual holding selection analysis.

Risk of Loss

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Magnetic North's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price

movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no

assurance that Magnetic North will be able to predict these price movements accurately or capitalize on any such assumptions.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

Equity-Related Securities and Instruments

Independent Managers can take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, midcapitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

Independent Managers can invest client assets in fixed income securities. Clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.

- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Voting of Client Securities

Magnetic North will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7. Client Information Provided to Portfolio Managers

As supervised persons of Magnetic North serve as portfolio managers for the program, they have continuous access to information related to clients' financial positions and investment objectives in an effort to ensure that investment decisions remain aligned with its clients' best interests.

Item 8. Client Contact with Portfolio Managers

In this Item, Magnetic North is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with Magnetic North.

Item 9. Additional Information

Disciplinary Information

Magnetic North has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.

Registered Representatives of a Broker-Dealer

Certain of the Firm's Supervised Persons are registered representatives of LPL and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length above.

Licensed Insurance Agents

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Magnetic North recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Related Company Providing Accounting Services

Magnetic North does not render accounting services to clients. In the event a client requires accounting services, the firm will sometimes recommend the services of Magnetic North Tax & Accounting. Magnetic North is the owner of Magnetic North Tax & Accounting. These services are rendered independent of Magnetic North and pursuant to a separate agreement between the client and Magnetic North Tax & Accounting. The Firm does not directly receive any portion of the fees paid by the client to Magnetic North Tax & Accounting and does not receive a referral fee in connection with the accounting services that Magnetic North Tax & Accounting renders to its clients. However, there exists a conflict of interest to the extent that the Firm recommends the accounting services of Magnetic North Tax & Accounting by virtue of Magnetic North's ownership of Magnetic North Tax & Accounting.

Related Company Providing Insurance Services

Magnetic North Insurance is owned by Magnetic North and offers insurance products that may be offered to advisory clients. Client should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Magnetic North will always act in the best interest of client when utilizing the sale of commissionable product to advisory clients. Client are in no way required to utilize the services of Magnetic North Insurance in connection with this outside business activity. The Firm does not directly receive any portion of the fees paid by the client to Magnetic North Insurance and does not receive a referral fee in connection with the insurance product sales that Magnetic North Insurance renders to its clients. However, there exists a conflict of interest to the extent that the Firm recommends the insurance services of Magnetic North Insurance by virtue of Magnetic North's ownership of Magnetic North Insurance.

Code of Ethics

Magnetic North has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Magnetic North's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Magnetic North's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Magnetic North to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

Account Reviews

Magnetic North monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Magnetic North and to keep the Firm informed of any

changes thereto.

Account Statements and General 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 Magnetic North 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 Magnetic North or an outside service provider.

Client Referrals

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

Receipt of Economic Benefit and Brokerage Practices

Magnetic North recommends that clients utilize the custody, brokerage and clearing services of LPL for investment management accounts. The final decision to custody assets with LPL is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Magnetic North is independently owned and operated and not affiliated with LPL. LPL provides Magnetic North with access to its institutional trading and custody services, which are typically not available to retail investors.

LPL is generally compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL or that settle into LPL accounts. For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees. LPL charges Magnetic North an asset-based administration fee for administrative services provided by LPL. Such administration fees are not directly borne by clients, but may be taken into account when Magnetic North negotiates its advisory fee with clients.]

Factors which Magnetic North considers in recommending LPL or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Magnetic North's recommendation of LPL complies with the Firm's duty to obtain "best execution." In seeking best execution in recommending LPL, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a LPL's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

The receipt of investment research products and/or services as well as the allocation of the

benefit of such investment research products and/or services poses a conflict of interest because Magnetic North does not have to produce or pay for the products or services. Magnetic North periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Magnetic North receives support services and/or products from LPL, many of which assist the Firm to better monitor and service program accounts maintained at LPL; however, some of the services and products benefit Magnetic North and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by [Advisor] in furtherance of its investment advisory business operations

LPL may provide these services and products directly, or may arrange for third party vendors to provide the services or products to Magnetic North. In the case of third party vendors, LPL may pay for some or all of the third party's fees.

These support services are provided to Magnetic North based on the overall relationship between Magnetic North and LPL. It is not the result of soft dollar arrangements or any other express arrangements with LPL that involves the execution of client transactions as a condition to the receipt of services. Magnetic North will continue to receive the services regardless of the volume of client transactions executed with LPL. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Magnetic North to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because Magnetic North receives these benefits from LPL, there is a conflict of interest. The receipt of these products and services presents a financial incentive for Magnetic North to recommend that its clients use LPL's custodial platform rather than another custodian's platform.

LPL also makes available to Magnetic North other services intended to help the Firm manage and further develop its business. Some of these services assist Magnetic North to better monitor and service program accounts maintained at LPL, however, many of these services benefit only Magnetic North, for example, services that assist the Firm in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Magnetic North in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided to Magnetic North as part of its overall relationship with LPL. While as a fiduciary Magnetic North endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because the Firm's recommendation that clients custody their assets at LPL is based in part on the benefits received and not solely on the nature, cost or quality of custody or brokerage services provided by LPL. Magnetic North's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

Trade Aggregation

Transactions for each client will be effected independently, unless Magnetic North decides to purchase or sell the same securities for several clients at approximately the same time. Magnetic North may (but is not obligated to) combine or "batch" such orders to obtain best execution or to allocate equitably among the Firm's clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Magnetic North's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Magnetic North's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Magnetic North does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or 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; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is

placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Financial Information

Magnetic North is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.