

## Item 1 Cover Page

### Part 2A of Form ADV: *Firm Brochure*



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March 7, 2017

This brochure provides information about the qualifications and business practices of Copperleaf Capital, LLC. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 919-787-9725 or [pmathis@copperleafcapital.com](mailto:pmathis@copperleafcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Copperleaf Capital, LLC also 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 CRD number. Our firm's CRD number is 117823.

## **Item 2    Material Changes**

This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules.

This Item is used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Since the last revision dated February 29, 2016 is the name change from Wisdom & Wealth Solutions, LLC to Copperleaf Capital, LLC. As well as our website and email addresses. We have also made the following changes.

- Revisions were made to Item 4 to provide more details and information regarding our Investment Supervisory Services. We've added disclosures for our recommendation of Fidelity and provided other details explaining our investment management process.
- We have added a new program labeled Investment Supervisory Services through AE Wealth Management Platform. Corresponding descriptions for this program's fee arrangements were also added to Item 5.
- We have removed all references to referring clients to Third Party Money Managers because we have no such arrangements.
- Item 10 has been updated to better describe our firm's insurance services and arrangement with Advisors Excel, a third-party insurance marketing organization.
- Item 12 has been updated to list Interactive Brokers as one of our newly approved third-party brokerage platforms used for accounts under our Investment Supervisory Services program.

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#### **Item 4 Advisory Business**

Copperleaf Capital, LLC is an SEC registered investment advisor with its principal place of business located in Raleigh, NC. Registration does not imply a certain level of skill or training. Copperleaf Capital, LLC began conducting business in 1986 and became a Limited Liability Corporation as of January 2015. Ryan G Peterson is the President & Managing Member and John Ryan Heath is the Sr. Vice President and Member. They are the only members of the company.

Copperleaf Capital, LLC offers the following advisory services to our clients:

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. You must appoint our firm as your investment adviser of record on specified Accounts (collectively, the "Account"). The Account consists only of separate Account(s) held by National Financial Services as qualified custodian through the Fidelity Institutional Wealth Program (collectively referred to as Fidelity) under your name. We also use and recommend Interactive Brokers. Fidelity or Interactive Brokers, as qualified custodian, maintains physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Please see Item 12 for more details regarding our arrangements with Fidelity and Interactive Brokers.

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. The Account is managed by us based on your financial situation, investment objectives and risk tolerance.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants

- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Private funds and hedge funds
- Interests in partnerships investing in real estate including private or properly unregistered investment offerings

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Private offering (i.e. unregistered) investments are often illiquid, which means that the investments can be difficult to trade and consequently limits a client's ability to dispose of such investments in a timely manner and at an advantageous price. Additionally, such investments may not have been registered pursuant to the Securities Act of 1933, and therefore the client will need to complete a subscription agreement showing the client is an "accredited" investor (as defined by applicable law and rules and regulations) and acknowledge that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

Conflicts may arise in the allocation of investment opportunities among Accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your Account(s) and other Accounts advised by our firm among such Accounts equitably and consistent with the best interests of all Accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Depending on your unique needs and circumstances, we will recommend you utilize one or more specific sub-adviser(s) (individually "Sub-Adviser" and collectively "Sub-Advisers") to manage the Account or a portion of the assets of the Account. When a Sub-Adviser is selected, the Sub-Adviser will have discretionary authority on your Account to place trades and make changes to the Account or the portion of your Account the Sub-Adviser is authorized to manage.

We will conduct due diligence of any recommended Sub-Adviser and monitor the performance of Sub-Adviser with respect to the Sub-Advisor's management of the designated assets of Account relative to appropriate peers and/or benchmarks.

We will be available to answer questions client may have regarding any portion of client's Account managed by a Sub-Adviser and will act as the communication conduit between the client and the Sub-Adviser. The recommendation of Sub-Advisers and investments may be done on a discretionary or non-discretionary basis with the specific terms outlined in your Advisory Agreement. When a client

authorizes us to have the ability to select Sub-Advisers and investments on a discretionary basis, we will have the authority to select and terminate Sub-Advisers and also the ability to purchase and sell investments on behalf of the client without the client's specific approval.

A complete description of the Sub-Adviser's services, practices and fees will be disclosed in the Sub-Adviser's Form ADV Part 2A that will be provided to the client.

#### *Variable Product Advisory Programs*

If you own certain variable products, such as a Variable Annuity ("VA") or Variable Universal Life ("VUL") policy, Copperleaf Capital, LLC may offer you advisory services on the subaccount allocations in your VA or VUL products. These services are managed as part of the ISS Individual Portfolio Management services described above. These services may be provided directly by your Advisor or by a Third-Party Money Manager recommended by your Advisor. In either case, Copperleaf Capital, LLC Variable Product Advisory Program is designed to provide you with ongoing investment management services on the subaccount allocations within your VA or VUL products. Copperleaf Capital, LLC Variable Product Advisory Program may be offered to you on a discretionary or non-discretionary basis.

### **INVESTMENT SUPERVISORY SERVICES THROUGH AE WEALTH MANAGEMENT PLATFORM**

Copperleaf Capital, LLC has entered into an agreement with AE Wealth Management, LLC ("AE Wealth Management"), an SEC registered investment advisor, to provide investment advisory services to clients.

Services provided through AE Wealth Management's managed Account program are offered on a non-wrap fee basis. The Program provides clients with the opportunity to establish mutual fund portfolios, separate Account portfolios and unified managed Account portfolios developed by both Copperleaf Capital, LLC and also by third party investment managers who are registered as investment advisors (collectively referred to as "Model-Managers"). Through the Program, AE Wealth Management is a sub-adviser to Copperleaf Capital, LLC and our clients. AE Wealth Management may provide other services which may include technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, models, trading platforms, and other functions related to the administrative tasks of managing client Accounts.

We assist clients with the establishment of one or more individual Accounts at National Financial Services through the Fidelity Institutional Wealth Program (collectively referred to as Fidelity). Fidelity will serve as the qualified custodian for Accounts through the Program. Clients must appoint Copperleaf Capital, LLC and AE Wealth Management, as a sub-adviser, as their investment advisors of record on the Account. The qualified custodian maintains physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

Through the Program, you will receive continuous investment advice based on your needs and circumstances. Utilizing tools provided by AE Wealth Management, We will determine the suitability of the asset allocation and investment options for each client. We will then assist clients in allocating their assets among different investment options in the Program and recommend strategies developed by Copperleaf Capital, LLC or by Model Managers.

Clients participating in the Program will grant Copperleaf Capital, LLC discretionary authority with respect to investment and advisory services provided to Program clients. Additionally, each client will grant AE Wealth Management full discretionary authority to (i) invest and reinvest the assets in the Program and (ii) retain Model Managers with respect to all or a part of Account assets. This means AE Wealth Management will have trading authority on your Account which is necessary to trade investments recommended by Model Managers.

Although we review the performance of Model Managers, we are only able to select the investment managers approved by AE Wealth Management and thus available through the Program. Therefore, we have a conflict of interest because we do not recommend Model Managers to you if the investment manager is not available through the Program.

We will provide you with a copy of AE Wealth Management's disclosure brochure which contains a detailed description of AE Wealth Management and the Program.

### **401k/PROFIT SHARING CONSULTING SERVICES**

We also provide several advisory services separately or in combination. 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, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various vehicles (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers

- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Futures contracts on tangibles

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **WRAP FEE PROGRAMS**

Copperleaf Capital, LLC does not sponsor or participate in any wrap fee programs.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2016, we were actively managing \$109,361,556 of clients' assets on a discretionary basis and \$70,187,322 on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annualized fee for our firm's proprietary Investment Supervisory Services and for Investment Supervisory Services offered through AE Wealth Management is charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$0 - \$999,999.99	1.65%
Next \$1,000,000 – \$2,999,999.99	1.50%
Next \$3,000,000 – \$4,999,999.99	1.25%
\$5,000,000 +	1.00%

Fees are deducted in advance on a quarterly basis from client accounts unless client requests an alternate payment method.

***Negotiability of Advisory Fees:*** Although Copperleaf Capital, LLC has established the aforementioned

fee schedule(s), we retain the discretion to negotiate alternative fees up or down on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors.

The specific annual fee schedule is identified in the contract between the advisor and each client. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

See Item 10 regarding potential compensation Copperleaf Capital, LLC may receive unrelated to the fees clients pay for advisory services.

The amount of your fee does not increase from the fee schedule listed above when we select a Sub-Adviser, AE Wealth Management and underlying Model Managers. The portion of your fee retained or paid to a Sub-Adviser is typically 65 to 70 basis points of the assets under management (0.65% - 0.70%).

Our asset management services continue in effect until terminated. You may terminate the services by providing Copperleaf Capital, LLC with notice. Copperleaf Capital, LLC may terminate the services by providing you with written notice. Any prepaid, unearned fees will be promptly refunded by Copperleaf Capital, LLC to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final billing period.

#### **401k/PROFIT SHARING CONSULTING FEES**

Our fees for Separate Account 401(k) Plans are based on a percentage of assets under advisement, according to the following schedule:

<i><b>Total Assets Under Management</b></i>	<i><b>Annual Fee</b></i>
\$0 - \$249,999	0.85%
\$250,000 – \$499,999	0.75%
\$500,000 – \$999,999	0.65%
\$1,000,000 – \$1,999,999	0.55%
\$2,000,000 – \$4,999,999.99	0.45%
\$5,000,000 +	0.35%

Fees are deducted in arrears on a quarterly basis from participant balances, unless the plan trustee directs us to bill the company directly.

Copperleaf Capital, LLC provides plan analysis for existing retirement plans managed by outside firms. The \$500 nonrefundable fee will be applied toward future set-up or transfer fees upon signed agreement

with Copperleaf Capital, LLC.

## FINANCIAL PLANNING FEES

Copperleaf Capital, LLC's Financial Planning fee is an annual fixed fee which is determined based on the nature of the services being provided and the complexity of each client's circumstances. The annual Financial Planning fee for each client is agreed upon prior to entering into a contract with any client.

The initial or first year Financial Planning fee is charged in advance and typically ranges from \$1,500 to \$4,000 per year, although sometimes significantly higher, depending on the specific arrangement reached with the client.

Each new Financial Planning client may be required to pay a retainer upon the completion of our initial fact-finding session with the client and the remainder due upon completion or presentation of the client's initial financial plan. These fees once paid are non-refundable due to the nature, time and resources spent on developing each client's customized financial plan.

For existing Financial Planning clients who choose to engage us for Financial Planning Services for the following calendar year, they will be billed the annual fee in July, effectively billing half (50%) of the annual fee in arrears (January – June) and billing the other half (50%) in advance (July – December). The advance payment of client fees will never exceed \$1,200 for work that will not be completed within six months.

Clients who terminate the Financial Planning relationship prior to the second year or prior to the beginning of subsequent years will not be charged a fee for the upcoming year. Clients must terminate their relationship within 5 business days for the beginning of a calendar year. Otherwise, continuing clients (second year or subsequent) who terminate after the beginning of the calendar year (i.e. January 1) will be invoiced for a prorated portion of their annual fee up to the termination date for any period between January 1 and June 30, thereafter a client terminating the relationship anytime between July 1 and December 31 will be refunded any prorated portion of the fee invoiced and paid after July 1.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. Clients who participate in Third Party Manager Account programs can terminate those relationships directly with the independent advisor.

***Mutual Fund Fees:*** All fees paid to Copperleaf Capital, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully

understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** Copperleaf Capital, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans, pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Copperleaf Capital, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Copperleaf Capital, LLC's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Copperleaf Capital, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

Copperleaf Capital, LLC does not impose any account minimums and provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (including plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions

are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

#### ***Variable Product Advisory Management Program.***

The Variable Product Advisory Management Program offers you investment management services on the subaccount allocations within your VA or VUL products. Such management services may be offered by your Advisor using his/her own analysis and research methods, investment style and strategy, as well as ongoing management philosophy. In this Program, the Advisor uses various asset allocation tools to advise you with respect to subaccount allocations within your VA or VUL products.

When authorized by you, your Advisor may exercise discretion over your variable product subaccounts.

### **RISK OF LOSS**

**Risk of Loss.** Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You 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 declines.

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

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

#### ***Insurance Agents***

You may work with Copperleaf Capital, LLC and your investment adviser representative in his or her

separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of Copperleaf Capital, LLC by purchasing disability insurance, life insurance, annuities, or other insurance products.

This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

#### ***Advisors Excel and AE Wealth Management***

Copperleaf Capital, LLC may utilize the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select the appropriate product. The IMO may also offer special incentive compensation while our investment adviser representatives acts in their separate capacity as insurance agents, if they meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. A client could perceive that the receipt of commissions and additional incentive compensation itself creates a conflict of interest and may affect our independent judgment. However, this conflict is mitigated by the fact that we have a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any insurance products through us in our separate capacity as insurance agents. The purpose of the IMO is to assist us to find the insurance company that best fits the client's situation.

Advisors Excel is a related company of AE Wealth Management. Advisors Excel provides affiliate members such Copperleaf Capital, in its capacity as an insurance agency, with marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) and investment advisory services (through AE Wealth Management) for clients, and business succession planning for our firm.

Although some of these services may directly benefit a client, other services obtained by us from Advisors Excel such as marketing assistance and business development may not benefit an existing client.

Additionally, we have the following material arrangements with Advisors Excel and AE Wealth Management.

- Copperleaf Capital has a 2% ownership interest in AE Wealth Management. Therefore they have a personal, economic interest to recommend AE Wealth Management over other investment adviser firms.
- Advisors Excel is a client of Copperleaf Capital as a result of Advisors Excel hiring Copperleaf Capital to serve as investment adviser to the Advisors Excel company 401(k) plan.
- Ryan Peterson and Ryan Heath serve as unpaid, outside consultants and outside members of the AE Wealth Management investment committee,
- Copperleaf Capital staff members have an unpaid arrangement with AE Wealth Management to help recruit and train new investment adviser representatives to AE Wealth Management and

help find independent investment adviser firms that may choose to utilize the services

There is a conflict of interest when we use the sub-adviser and financial planning services of AE Wealth Management because we are influenced to use AE Wealth Management based upon our relationship with, ownership interest, the services provided and support of Advisors Excel.

### ***Sub-Advisers***

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, we have formed relationships with independent, investment advisers to serve as sub-advisers through our Asset Management Services. Please refer to the previous disclosures in Item 4 and Item 5 regarding our use of sub-advisers and model managers.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Copperleaf Capital, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Copperleaf Capital, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [pmathis@copperleafcapital.com](mailto:pmathis@copperleafcapital.com) or by calling us at 919-787-9725. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately licensed as an insurance agent/broker of various insurance companies. Please refer to Item

10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

Copperleaf Capital, LLC does not have any formal soft-dollar arrangements and does not receive research from any broker-dealer for directing brokerage or client transactions.

Copperleaf Capital, LLC does not accept any client referral from a broker-dealer in connection with the recommendation or selection of broker-dealers.

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Copperleaf Capital, LLC as to the broker-dealer to be used.

Copperleaf Capital, LLC requires that clients direct us to place trades through National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity"). In some cases we may also recommend Interactive Brokers.

Copperleaf Capital, LLC has evaluated Fidelity and Interactive Brokers, (referred to as "Recommended Brokerage Platforms"), and believes that they will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than our Recommended Brokerage Platforms if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of our Recommended Brokerage Platforms, it should be understood that Copperleaf Capital, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while Copperleaf Capital, LLC has a reasonable belief that our Recommended Brokerage Platforms is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisors require clients to direct it to use a particular broker-dealer.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of our Recommended Brokerage Platforms, provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate the broker before opening an account. The factors considered by Copperleaf Capital, LLC when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors.

As a matter of policy and practice, Copperleaf Capital, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client

trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisors who block client trades.

Copperleaf Capital, LLC has an arrangement with our Recommended Brokerage Platforms through which our Recommended Brokerage Platforms provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Our Recommended Brokerage Platforms' institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Our Recommended Brokerage Platforms also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Copperleaf Capital, LLC may contract directly.

Copperleaf Capital, LLC is independently operated and owned and is not affiliated with Fidelity or Interactive Brokers.

All services and products received by Copperleaf Capital from Recommended Brokerage Platforms are a result of clients maintaining their assets on Recommended Brokerage Platforms and not as a result of directing client trades or referring clients to any given Recommended Brokerage Platforms. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Recommended Brokerage Platforms services. We examined this potential conflict of interest when we chose to enter into the relationship with Recommended Brokerage Platforms and have determined that the relationship is in the best interests of Copperleaf Capital, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Copperleaf Capital, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Ryan G Peterson, President and/or John Ryan Heath, Sr. Vice President.

**REPORTS:** In addition to the quarterly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings.

### **401k/PROFIT SHARING CONSULTING SERVICES**

**REVIEWS:** Copperleaf Capital, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Copperleaf Capital, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: Ryan G Peterson, President, and/or Thomas Jacob Tolley, Financial Advisor.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

Copperleaf Capital, LLC does not directly or indirectly compensate any person for client referrals.

### **OTHER COMPENSATION**

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving indirect compensation such as sponsorship and expense reimbursement of

marketing activities creates a potential conflict of interest. These arrangements have the potential to affect the judgment of our firm and certain individuals when recommending our services to potential clients who are referred through these programs. It is Copperleaf Capital, LLC's policy to disclose all such conflicts to new and potential client prior to entering into an advisory agreement.

### **Item 15 Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Copperleaf Capital, LLC is deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

As part of our billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

### **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Clients give us discretionary investment authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

The recommendation of Sub-Advisers may be done on a discretionary or non-discretionary basis with the specific terms outlined in your Advisory Agreement. When a client authorizes Copperleaf Capital, LLC to have the ability to select Sub-Advisers and investments on a discretionary basis, Copperleaf Capital, LLC will have the authority to select and terminate Sub-Advisers and also the ability to purchase and sell investments on behalf of the client without the client's specific approval.

Sub-Advisers selected to manage your account will have discretionary authority (in the sole discretion of the Sub-Adviser without first consulting you) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the Account managed by the Sub-Adviser. The Sub-Adviser will have power and authority to carry out these decisions by giving instructions, on behalf of the client, to brokers and dealers and the qualified custodian(s) of the Account.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

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

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Copperleaf Capital, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.