

# Peak Wrap Brochure

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## Item 1 – Cover Page

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This wrap fee program brochure provides information about the qualifications and business practices of ACG Wealth. If you have any questions about the contents of this Brochure, please contact us at the number above. 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.

ACG Wealth is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. This Brochure is designed to provide information that can be used to make a determination to hire or retain an Advisor.

Additional information about ACG Wealth is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 2 – Material Changes

Since our last annual update dated February 2017, we made the following changes:

- The firm’s website address was updated to <http://www.acgwealth.com>
- The fee schedule was updated. See Item 4 for the current fee schedule.
- Disclosures were added related fees investments in structured products. See Items 4 and Item 6 for more information.

Additional information about ACG Wealth is also available via the SEC’s website, [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The SEC’s website also provides information about persons affiliated with ACG Wealth who are registered, or are required to be registered, as investment advisor representatives of ACG Wealth.

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## Item 4 – Services, Wrap Fees, and Compensation

ACG Wealth (“ACG”) provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, foundations, endowments, and estates and trusts.

### ***Peak Wrap Program***

Arkadios Capital (“Arkadios”), as a fully disclosed Introducing Broker Dealer, provides ACG direct access to various account structures available through National Financial Services, LLC (“NFS”). NFS, as the custodian holding the account, provides custody, transaction and banking services. See Item 9 for more information about Arkadios Capital, a broker-dealer affiliated with ACG through common control and ownership.

Most accounts are managed on a discretionary basis, meaning that the advisor has discretion over what securities to buy and sell. However, clients may elect to have their account managed on a non-discretionary basis, meaning that the client must consent to each trade in the account. This trading discretion and any limitations on it will be set forth in the client agreement. The services provided are the same regardless of the account structure selected. Depending on the client’s investment objectives, the advisor may manage and provide advice on mutual funds, stocks, bonds, exchange traded funds (ETFs), LPs, and options. All of the account structures give the advisor the ability to customize asset allocation, investment selection, and investment strategies to meet their financial situation and investment goals.

Advisory Managed Account Solutions accounts are offered through *Peak*, a wrap fee program and *Crest*, a non-wrap fee program. In a Crest account, clients pay an advisory fee plus additional transaction based charges. In a Peak account, the client pays a single fee that covers the advisory services and the execution of transactions through NFS. Clients that anticipate trading primarily in equities and ETFs are typically recommended to open a wrap fee account; clients that anticipate trading in mutual funds with little or no anticipated trading in equities and ETFs will be recommended to open a non-wrap fee account. More information regarding the services and fees of the Crest accounts are separately disclosed in the Firm Brochure, which is available upon request.

Several other factors influence the selection of the account structure, including but not limited to:

- the client’s preference for how charges will be paid, i.e., a wrap account vs. transaction charges per trade on certain or all securities
- account size
- anticipated trading frequency
- anticipated types of securities to be traded
- long term investment goals

The Peak Wrap Program account is potentially suitable for accounts in which the Investment Adviser Representative anticipates primarily investing in stocks/ETFs, and/or for clients that do not wish to pay transaction charges for trades. Peak Wrap Program accounts are custodied with NFS.

The basic asset based fee schedule for the Peak Account is as follows:

<u>Account Balances</u>	<u>Annual Fee</u>
\$0 - \$500,000	1.75%
\$500,001 - \$2,500,000	1.50%
\$2,500,001 - \$4,000,000	1.25%
\$4,000,001+	1.00%

Existing clients should note they may fall outside the ranges listed above as the fee schedule was updated in March 2018. The client's specific fee may be based on a different fee schedule and will be charged as stated in their advisory agreement.

For the majority of Peak accounts, fees are payable monthly or quarterly in advance and automatically deducted from the account pursuant to the advisory agreement and not billed separately to clients. Clients have the option of choosing monthly or quarterly billing for the majority of accounts; this election will be made on the applicable fee agreement. Refund of fees that are paid in advance will be prorated to the date of termination, and any unearned portion will be refunded back to the client.

The wrap fees charged in Peak accounts does not cover other charges or fees assessed by Arkadios and NFS. Other costs that may be incurred that are not included in the Wrap Fee include: fees for transactions executed away from Arkadios, dealer mark-ups and spreads paid to market-makers. The Management Fee also does not cover debit balances or related margin interest, "mark-ups" and "mark-downs" or "dealer spreads" that broker-dealers (including broker-dealer affiliates) receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through Arkadios. The Management Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law.

The advisory fees do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. In addition, each mutual fund or third-party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm. The fees charged by such funds or managers are disclosed in each fund's prospectus or Manager's ADV Part 2A. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. The Management Fee also does not cover fees and charges in connection with: debit balances; margin interest; odd-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; legal transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law.

Our Investment Adviser Representatives may trade on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin results in interest charges as well as all other fees and expenses associated with the security or account involved.

ACG's affiliated broker-dealer, Arkadios, receives distribution or service fees (trails) from the sale of certain mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. In addition, Arkadios receives compensation in connection with cash held in the account. Additionally, Arkadios receives compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, Arkadios receives compensation based on the value of assets in these funds as broker-dealer. Thus, because ACG has an incentive to recommend that client select a money market fund as a sweep vehicle that pays more compensation to the affiliated broker-dealer than other funds, there is an inherent conflict of interest.

Moreover, ACG may recommend that certain clients invest in a structured product to provide more

income for clients and to effectively provide downside protection to equity positions currently held in client accounts. The structured product is not a money market fund alternative because of its fluctuating NAV and changes in market value. The structured product is being used to provide additional income for clients versus a money market fund and to provide the client with downside protection due to changing stock market conditions. In such instances, Arkadios Capital, ACG's affiliated broker-dealer, will receive a referral fee for such investment; however, ACG does not receive any transaction-based compensation nor can he affiliate of ACG share the compensation it receives with ACG. When an ACG client invests in the structured product, the client does not pay any additional commission or sales charges and if the client decides to redeem their investment early, no additional commissions or sales charges will be assessed to the client. The affiliate of ACG may be required to repay a portion of the fee that it received. This creates an incentive for ACG to recommend the structured product, and once invested, to hold the structured product so that ACG's affiliate will receive compensation or retain such compensation.

Clients can purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. If ACG acts as a member of the selling syndicate for such offerings, the firm will receive compensation equal to a portion of the gross spread (the difference between the price the client pays for the security and the price at which it purchased the securities). The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

Most ACG Investment Adviser Representatives are also registered broker-dealer representatives of Arkadios Capital. Arkadios may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with these advisor representatives. These financial consultants also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds. ACG Advisors also receive a portion of the compensation that ACG receives as a member of a selling syndicate. Thus, ACG Advisors have an incentive to recommend certain mutual funds and to recommend purchases of sales in certain offerings because the Advisor will receive more compensation in connection with these securities than in connection with other types of securities. This creates a conflict of interest. Such fees are described in mutual fund prospectuses.

Although ACG believes its fees are reasonable in light of the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with investment advisory and brokerage services purchased separately. The comparison is dependent upon a number of factors, including the size of the account under management and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account with ACG. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. All fees described herein are subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

## **ACCOUNT TERMINATION**

The client and/or the firm can initiate termination of the contract at any time by sending written notice to the contra party and will be deemed to be accepted the day that it is received by the contra party. A termination fee will apply if the account is terminated by the client within the first year of the advisory contract; however, a full refund will be provided without penalty if the client terminates the contract within five business days of signing with the firm. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract.

If the client instructs ACG to terminate their advisory contract and liquidate their account, ACG will proceed with liquidation of the account in an orderly and efficient manner. There will not be a charge by ACG for such redemption; however, certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that can affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. ACG and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

## **Item 5 – Account Requirements and Types of Clients**

ACG provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts. The minimum account size is \$150,000. ACG has the discretion to waive the account minimum. For any third-party manager programs, minimums vary by manager and such information is disclosed in each respective brochure.

Please see the discussion under Item 4, above, for additional information on Account Requirements and Types of Clients.

## **Item 6 – Portfolio Manager Selection and Evaluation**

ACG serves as the Portfolio Manager for the Peak Wrap Fee Programs. ACG may outsource its portfolio management by using outside portfolio managers. ACG uses industry standards to measure the performance of its Portfolio Managers; however, it does not use a third party auditor to review or verify the performance of its Portfolio Managers.

### ***Advisory Business***

ACG uses a variety of proprietary strategies which look to provide growth opportunity and reduce volatility. The strategies include, but are not limited to, rotating assets to various asset classes based on our perception of the risks and rewards of investing in different sectors of the market, along with the clients perceived risk tolerance profile. Our investment committee meets bi-weekly to discuss current market conditions, portfolio positions and to make new investment decisions.

Our investment philosophy is driven by time in the market versus timing the market. That is, we seek to meet a client's objectives through a consistency of return through risk controls driven by a research intensive process. We always consider all asset classes and geographies when creating an appropriate asset allocation. We utilize a blend of top down macroeconomic analysis and bottom up fundamental analysis. Our investment committee consists of professionals with extensive international experience, economic and accounting backgrounds.

Our portfolio construction process is defined by a) strategic ranges to asset classes which are required to achieve risk/return parameters of our various strategies and b) smaller tactical ranges where we can be more opportunistic based on our analysis.

The investment committee meets on a bi-weekly basis to discuss both macro and micro issues. The committee is overseen by the CIO and includes our Global Economist as well as sub portfolio managers. Based on the research, supported by data, we will consider our current exposures and discuss and/or challenge our current investment thesis to make sure it stands up to rigor.

We run proprietary risk analytics on portfolios on no less than a quarterly basis and sometimes more frequently during market volatility. We focus on targeting an expected beta range as well as understanding factor exposures. We simulate portfolio sensitivity under different market conditions. Where observed risk moves out of our expected tolerances we seek to understand the reason and if possible react by cutting exposure to bring it in line with our expectations.

Each individualized taxable (“taxable”) account or IRA account is designed to be consistent with clients’ risk tolerances. ACG creates an investment plan and manage a client’s portfolio by seeking to identify: 1) the optimal asset classes in which to invest, 2) the most efficient exchange traded funds (“ETFs”) or other investments to represent each of those asset classes, 3) the ideal mix of asset classes based on the client’s specific risk tolerance, and 4) the most appropriate time to rebalance the client’s portfolio to maintain intended risk tolerance and optimal return for the client’s risk level.

Advisory services are tailored to the individual needs of each client. The advisor will assist clients in connection with establishing and monitoring of investment objectives, risk tolerance, asset allocation goals and time horizon. Clients have the opportunity to place reasonable restrictions or constraints on the way their accounts are managed; however, such restrictions may cause the advisor to deviate from a strategy or recommendations that the advisor would have made if such restrictions or constraints were not in place. Thus, the account’s performance could be lower than it otherwise would have been.

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client’s instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, ACG will notify the client that, unless the instructions are modified, it may cancel the instructions in the client’s account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

A portion of the Wrap Fee is paid to ACG for advisory services and portfolio management services; a portion of the Wrap Fee covers transaction costs and is paid to NFS. Since ACG pays for transaction fees from the Wrap Fee, there is an incentive to limit trading in order to avoid paying transaction fees. Our supervisory process includes a review of accounts to ensure that trading activity is suitable based on the client’s investment objectives.

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

ACG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).



## ***Methods of Analysis, Investment Strategies, and Risk of Loss***

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objective(s) in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods typically include the following:

- **Fundamental analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. 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 and charting:** We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at any time and past performance is not a guarantee of future performance.
- **Cyclical analysis:** We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that clients must be prepared to bear. Though the goal of the firm is to find quality investments and proper allocation strategies, there is no guarantee that the goal will be met, and/or that the value of investor portfolios will not decline in value during any given time period. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an

electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.
- **Secondary Market Risk:** A secondary market for exchange traded structured products is fully liquid if we sell and do not hold to maturity date.
- **Call Features:** Structured products may include a provision that allows the issuer or other depository institution to "call" or redeem the product prior to maturity at a given price. Call features typically are exercised when a structured product is trading at a premium to its call price in the secondary market. The call option is solely at the discretion of the issuer. If a structured product is "called," investors seeking to reinvest their redeemed funds will be subject to reinvestment risk because interest rates may have fallen since the time they first purchased the structured product.

### ***Voting Client Securities***

As a matter of firm policy and practice, ACG does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. ACG will provide advice to clients regarding the clients' voting of proxies if requested. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

### **Item 7 – Client Information Provided to Portfolio Managers**

ACG Wealth may act as both your registered investment adviser and your portfolio manager. In those instances, your Portfolio Manager has the same access to your financial information as ACG. Your financial information includes, among other things, information on your income, net worth, and investment objectives. Your Portfolio Manager uses this information to determine an appropriate asset allocation for you and to manage your investments. When you update your information with ACG, your Portfolio Manager will have immediate access to the same updated information.

ACG may outsource its portfolio management by using outside portfolio managers. The third party manager generally requires clients to complete an investment profile questionnaire upon account opening. Clients should inform ACG and the third party money manager (if applicable) in writing of any material changes in the Client's investment objectives that might affect the manner in which Client's assets should be invested.

The Client may contact ACG during normal business hours to consult with their adviser concerning the management of the Client's Account. Please see the discussion under 6, above, for additional information regarding Client Information Provided to Portfolio Managers.

### **Item 8 – Client Contact with Portfolio Managers**

You may communicate with Portfolio Managers directly. Consultations beyond normal business hours may require additional negotiated fees.

Please see the discussion under Items 6, and 7 above, for additional information on Client Contact with Portfolio Managers.

## **Item 9 – Additional Information**

### ***Disciplinary Information***

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

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

Arkadios Capital ("Arkadios"), a registered broker-dealer, and Arkadios Wealth, a Registered Investment Advisor, are affiliated with ACG Wealth through common ownership. Most individuals associated with ACG as an Investment Adviser Representative are also registered as a Registered Representative with Arkadios. When applicable, these individuals recommend broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. This arrangement poses a conflict of interest to the extent that there is a financial incentive to recommend securities and other insurance products that result in commissions, brokerage fees, 12b-1 fees or other payments. ACG is dedicated to acting in our clients' best interests based on fiduciary principles. Clients are under no obligation to purchase any recommended brokerage products or insurance products.

On average individual Investment Advisor Representatives and the principals of ACG spend 50% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. If ACG acts as a member of the selling syndicate for such offerings, the firm will receive compensation equal to a portion of the gross spread (the difference between the price the client pays for the security and the price at which it purchased the securities). The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

When Arkadios is a member of the selling syndicate, ACG Advisors, acting as a Registered Representative of Arkadios, receive compensation from the sale of an initial public offering (IPO). Such compensation will not offset advisory fees. This poses a conflict of interest for those individuals as they have a financial incentive to recommend IPO purchases. However, ACG and its personnel are constrained by fiduciary principles to act in the client's best interest and will only recommend IPO's when they are believed to be suitable.

Certain Advisors are separately licensed as insurance agents/brokers for various independent insurance companies. These individuals spend as much as 5% of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. ACG clients are not obligated to purchase any recommended insurance products.

ACG Wealth is now affiliated through common ownership with ACG Investment Management, LLC, a Registered Investment Advisor and manager of the OG Ao Fund, LLC. A potential conflict of interest could occur if an IAR of ACG were to recommend an investment in the OG Ao Fund, LLC instead of other

investments available through ACG. As a fiduciary any recommendation must be in the best interest of the client and all recommendations to invest in the Fund will be reviewed with this in mind.

### ***Code of Ethics***

ACG has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at ACG must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of ACG may buy or sell securities that are recommended to clients. ACG's employees and persons associated with ACG are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ACG and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ACG's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ACG 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of ACG's clients. In addition, the Code restricts trading in close proximity to client trading activity. When practical, employee trades are aggregated with client trades. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between ACG and its clients.

Certain affiliated accounts trade in the same securities with client accounts on an aggregated basis when consistent with ACG's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. ACG will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

A copy of the firm's Code of Ethics may be requested by contacting the Compliance Department at our main number.

### ***Review of Accounts***

Account reviews are conducted by the Advisor at least annually. Factors that are considered during such reviews include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact an account include the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc.

Clients agree to inform ACG in writing of any material changes to their financial circumstances that might affect the manner in which their assets should be invested. Clients may contact us during normal business hours to consult with an Advisor concerning the management of their account(s).

You should receive statements at least quarterly from the qualified custodians that holds and maintains your investment assets. We urge you to carefully review such statements and compare the official custodial records to the account statements that we may provide you.

If any clients are also invested in the OGao Fund, LLC (see item 10 above) they will receive audited annual reports on the performance and operation of the Fund directly from the Fund manager as noted in the subscription agreement.

### ***Client Referrals and Other Compensation***

ACG has agreements with Lee Jenkins and Johnson Bryan to pay for client referrals. The solicitor's agreements entered into by ACG comply with rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. If a client is solicited by Lee Jenkins or Johnson Bryan, ACG will pay them a portion of the management fees we collect. The details of the fee payments are described in the Solicitor's Disclosure which is provided to clients at account opening. Solicitor's fees will be based on ACG's normal fee schedule; clients are not charged any additional fees or expenses as a result of the referral.

As set forth in "Fees and Compensation" above, ACG and the Investment Adviser Representatives in their capacity as registered representatives of Arkadios may receive compensation from third parties in connection with trades executed for or investments held in advisory accounts. Certain mutual fund issuers and other third parties sponsor and pay for client luncheons, or other events, that ACG's Investment Adviser Representatives host. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, with the firm's clients in connection with Investment Adviser Representative recommendation of certain investment products. However, ACG's commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with ACG's independent decision-making process when choosing the best investment for our clients.

When an ACG client invests in a structured product, Arkadios Capital, ACG's affiliated broker-dealer, will receive a referral fee. Please see Item 4 for more information.

### ***Financial Information***

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about ACG's financial condition. ACG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

### ***Brokerage Practices***

For client accounts maintained in its custody, the custodian holding the account does not generally charge separately for custody services. They are compensated by account holders by receiving a portion of the wrap fee charged. The custodians make products and services available to ACG that benefit ACG but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of ACG accounts. Some of these products and services provided includes software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of ACG fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

ACG has a duty to obtain "best execution." 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 Financial Institution's services and the fees for those services, including among others, the value of research provided, execution capability, commission rates, and

responsiveness. ACG seeks competitive rates but may not necessarily obtain the lowest possible rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist ACG in its investment decision-making process. Such research generally will be used to service all of ACG's clients. 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 ACG does not have to produce or pay for the products or services. The products received qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

ACG and Arkadios have a referral arrangement with NFS, whereby ACG and Arkadios receive business credits or other compensation from NFS based on the amount of client assets custodied by NFS, which will be transferred to the advisory platform maintained by Fidelity Institutional Wealth Services (FIWS), a division of NFS' affiliated company Fidelity Brokerage Services, LLC. For those clients that participate in the Peak Wrap Fee program, this potentially creates a conflict of interest in that it gives ACG a financial incentive to recommend NFS. However, the advisers themselves do not have a financial incentive to recommend NFS. There are times where the advisers or ACG may indirectly benefit from the account being established on the NFS platform because of Arkadios' affiliation with ACG due to common control and ownership. Clients do not incur any additional fees or expenses as a result of payments of business credits or compensation by NFS to ACG or Arkadios.

Additionally, Arkadios receives compensation from NFS, which serves as our Custodian for assets held in customer accounts. More specifically, NFS has agreed to pay us a fee when it acts as Custodian for certain assets, namely, certain non-Fidelity No Transaction Fee ("NTF") mutual funds. NTF mutual funds are mutual funds that are offered through advisors or brokers without any transaction charge. Arkadios receives additional compensation – from NFS, not from our clients – over and above the asset management fee we receive from our clients when such mutual funds are included in our portfolios, and such mutual funds are custodied at NFS. Notably, Fidelity mutual funds are excluded from this arrangement, meaning Arkadios does not receive this fee on any Fidelity mutual funds that are recommended or purchased for client accounts and custodied at NFS. Pursuant to Arkadios' agreement with NFS, NFS pays Arkadios a percentage, depending on the amount of eligible client assets held at NFS on an ongoing basis. This arrangement gives rise to conflicts of interest, or perceived conflicts of interest, as Arkadios would receive more compensation by recommending, or investing in, non-Fidelity NTF funds for clients that are custodied at NFS. Clients should be aware, therefore, that Arkadios' receipt of additional compensation from NFS under this scenario creates a conflict of interest since this benefit could influence ACG's choice of (1) NFS over other custodians that do not furnish similar benefits and (2) non-Fidelity NTF mutual funds over other mutual funds not covered by this arrangement with NFS. However, ACG's commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with ACG's independent decision-making process when choosing the most appropriate investments or custodian for our clients. As noted above, this additional compensation does not represent additional fees from clients' accounts to ACG or Arkadios; they are paid by NFS. Finally, ACG and Arkadios are committed to utilizing whatever fees the firm receives under this arrangement to enhance our services to clients.

To the extent that ACG is acting as a "Fiduciary" with respect to "Qualified Accounts" subject to "ERISA", ACG will seek to avoid or remedy any situation where its receipt of compensation from Fidelity for Support Services would be a prohibited transaction under "ERISA". For purposes of the foregoing, "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the applicable "ERISA-mirror provisions" of Sections 4975 of the Internal Revenue Code of 1986, as amended; "Fiduciary" shall be defined as that term is defined under ERISA; and "Qualified Accounts" shall mean accounts that

constitute a retirement plan (including a 401(k) plan) or other employee benefit plan subject to ERISA, an account for a tax-qualified retirement plan (including a Keogh plan), or an individual retirement account under the Internal Revenue Code.

ACG requires that Peak clients establish brokerage accounts with National Financial Services, LLC (“NFS”) to maintain custody of clients’ assets and to effect trades for their accounts. Not all advisers require their clients to direct brokerage. By directing brokerage, ACG may be unable to achieve most favorable execution of client transactions and may pay more in transaction charges than other broker-dealer firms. Therefore, directed brokerage may cost clients more money. ACG is independently owned and operated and not affiliated with NFS or any other custodian.

Clients can benefit when we aggregate trades to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients.

### **Privacy Policy**

ACG collects non-public information about you from the following sources:

- Information we receive from you on account applications or other forms
- Information about your transactions with ACG or others
- Information we receive from a consumer-reporting agency

We do not disclose any non-public personal information about you to anyone, except as permitted by law. We maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information. If you decide to close your account(s) or you become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Investment Advisors of ACG Wealth (ACG) are typically also Registered Representatives of Arkadios Capital, Inc. (“Arkadios”). ACG will disclose customer information to and receive customer information from Arkadios for the purposes of offering additional products and services to you as well as to effect, administer, service and enforce your requested transactions and maintain and service your accounts. Arkadios may also continue to use personal information they receive from us to perform services on our behalf, to respond to communications from you, as you authorize or request, or, if you are their customer, to offer you their products or services. To the extent that you are entitled to other protections under applicable laws and these laws apply, we will comply with them when we share personal information about you.

ACG restricts access to your personal account information to only those employees who need to know that information to provide products or services to you. For more information on our Privacy Policy, please contact the Compliance Department at (404) 893-4100 or [compliance@arkadioscapital.com](mailto:compliance@arkadioscapital.com).