

# TRIUMPH CAPITAL MANAGEMENT

## Part 2a Appendix 1 Wrap Fee Brochure

February 1, 2016

### Part 2A APPENDIX 1, WRAP FEE BROCHURE

This wrap fee program brochure provides information about the qualifications and business practices of Triumph Capital Management. If you have any questions about the contents of this brochure, please contact us at (720-399-5555). 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. Triumph Capital Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Triumph Capital Management 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. The CRD number for Triumph Capital Management is 282814.

### TRIUMPH CAPITAL MANAGEMENT

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# WRAP FEE PROGRAM BROCHURE

MATERIAL CHANGESITEM 2

This is our initial filing of the Wrap Fee Program Brochure

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Brandon Drespling at (720) 399-5555 or [BrandonD@TriumphCapitalManagement.com](mailto:BrandonD@TriumphCapitalManagement.com).

WE ENCOURAGE YOU TO READ THIS DOCUMENT IN ITS ENTIRETY.

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## WRAP FEE PROGRAM BROCHURE

This Disclosure document is being offered to you by Triumph Capital Management (“Triumph”) in connection with the investment advisory services we provide. This brochure discusses our asset management services offered on a “wrap” fee basis.

Triumph Capital Management, is a Denver based corporation, providing investment advisory services to clients. Triumph Capital Management has locations in Denver, Canon City and Fort Collins, Colorado.

The location of our headquarters is 1610 Wynkoop Street, Suite 550, Denver, CO 80202. The firm was established by Derek Eichenwald, the firm’s principal owner, in 2016.

### SERVICES, FEES AND COMPENSATION

### ITEM 4

#### PORTFOLIO MANAGEMENT SERVICES

Triumph provides investment supervisory services primarily for individuals and companies. The services provided include the provision of discretionary portfolio management and continuous advice concerning investment of assets consistent with the circumstances, preferences and objectives of each client. Investment supervisory services are provided based on the individual needs and investment objectives of each client as communicated to Triumph. Specifically, the structure for each client’s investment portfolio is created by taking into account certain considerations such as expected returns, risk tolerance and future liquidity requirements.

We offer a variety of investment advisory programs and services for a fee. The following list includes some of our more common offerings:

- Assistance in selecting Portfolio Managers.
- Ongoing evaluation and review of Portfolio Managers.
- Evaluation and review of portfolio composition.
- Account management.
- Active portfolio management.

Triumph works with you to identify your investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances.

The initial asset allocation recommendations are based on the financial information gathered from you. This information includes net worth, risk tolerance, financial goals, investment objectives, investment restrictions and overall financial conditions. Based on this information, you are provided with investment recommendations designed to provide an appropriate asset mix consistent with your objectives. Your portfolio and its performance are monitored in light of your stated goals and objectives. The frequency of these reviews is determined by Triumph Capital Management. We will meet with you on an as needed



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basis to discuss the portfolio and other aspects of the services we provide. You may contact us at any time regarding your portfolio.

### DISCRETIONARY ASSET MANAGEMENT SERVICES

When providing Portfolio Management Services, we will exercise discretion when you grant Triumph Capital Management discretion in the investment management agreement. When doing so, it allows the Triumph Capital Management, Investment Advisor Representative (IAR) to select the securities to purchase, sell, and/or exchange including, but not limited to, mutual funds, equities, options, fixed income instruments, closed-end mutual funds, exchange traded funds, variable life and variable annuity subaccounts. Model portfolios and margin may be used as part of this strategy.

Under a discretionary management mandate, Triumph has the authority to supervise and direct the investments of and for each client's account generally in line with the investment profile agreed with the client and without prior consultation with the client.

Discretion allows for the amount to buy and sell and the timing of buy and sell orders without obtaining specific consent from the client for each trade. However, the client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. You should be aware we may make different recommendations and effect different trades with respect to the same securities and insurance subaccounts to different advisory clients. Execution of securities transactions are covered by the wrap service fee implemented through your custodian and may not be better than the commissions or execution available if you used another brokerage firm. Though, we believe that the overall level of services and support provided to you by your custodian for any trade not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, we may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and/or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which we then allocate to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

We do not guarantee the results of the any advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by Triumph Capital Management.

We may recommend securities including but not limited to individual stocks, individual bonds, open and closed ended mutual funds, options, other fixed income instruments, structured products, alternative investments, variable life insurance subaccounts, variable annuity subaccounts and exchange-traded funds ("ETFs"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks and other securities.

Although we generally do not exercise discretion to select brokerage firms, we typically recommend the custodial services of TD Ameritrade, a securities broker/dealer, Member



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FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member.

You should be aware of the fact that not all advisers require clients to use a particular brokerage firm. Because clients having accounts managed by Triumph Capital Management are required to open accounts with, and use the transaction services of TD Ameritrade, we may not be able to achieve the most favorable execution of client transactions. Thus, use of only TD Ameritrade may cost you more money.

### **WRAP FEE**

The wrap pricing structure allows the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. Ancillary charges such as account fees or transfer costs are not included in the wrap fee. Please consult your TD Ameritrade Institutional paperwork for a complete listing of these ancillary fees that could be associated with your account.

Fees payable for asset management services are calculated as a percentage of the total value of investments under management. Triumph Capital Management and the associated Investment Advisor Representative's fee shall not exceed a maximum total annual fee of 3.0% annually including a 0.20% platform fee as described below in the chart. However we do charge a minimum fee of \$150.00 annually per account. The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fees may be negotiated. Triumph may waive, discount and/or negotiate fees at its discretion.

The client may select a flat fee, a tiered fee or a customized pricing schedule as set forth in your Investment Advisory Agreement.

The wrap fee schedule for accounts held with TD Ameritrade Institutional is described below:

### **TD AMERITRADE FEE SCHEDULE (TRIUMPH CAPITAL MANAGEMENT)**

*The Custody / Trading Fees with TD Ameritrade (TDAI) for Triumph Capital Management's Wrap Accounts*

ASSETS UNDER MANAGEMENT	MAXIMUM TOTAL ANNUAL ADVISOR FEE **
\$0 to \$99,999.99	3.00%
\$100K to \$499,999.99	2.85%
\$500K to \$999,999.99	2.50%
\$1mm and Above	2.25%

*\* Minimum fee of \$150.00 annually per account. Execution, custodial and clearing fee is included in the total annual Fee. Under certain circumstances Triumph and /or your representative, may be compensated out of this portion of your fee.*

*\*\* Maximum permissible annual advisory fee is 3.00% and includes the execution, custodial and clearing Fee that has a maximum fee of 0.20%.*



## WRAP FEE PROGRAM BROCHURE

The advisory, execution, custodial and clearing fees charged by Triumph may not include all the fees to the client. Additional fees could include and are not limited to (a) charges for services provided by Triumph outside the scope of the Investment Management Agreement e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc. (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) other fees and charges imposed because we may choose to effect securities transactions for the account with or through a broker-dealer other than the custodian; (d) sales loads and internal operating expenses on mutual funds, exchange traded funds, alternative investments, variable insurance contracts, including variable sub accounts and the insurance fees associated with the ownership of life and annuity contracts (e) commissions on transactions occurring after notice of Agreement termination is given (f) commissions on transactions ordered by a client; and (g) additional custodial fees for certain securities held in your account. Each of these additional charges may be separately charged to your account or reflected in the price paid or received for a given security. Triumph may waive, discount and/or negotiate fees at its discretion.

The client's statement and / or trade confirmation from the custodian will show all amounts debited to the account, including the amount of any advisory fee paid to Triumph. Any additional fees are disclosed to the client in the custodial agreements, prospectuses or other disclosures .

The annual fee for portfolio management services is billed quarterly or monthly, in arrears or advance. The fee is based on the average daily market value of the account or accounts during the billable period negotiated. Fees are assessed on all assets under management, including securities, cash and money market balances. Triumph relies on the custodian of its clients to value the assets in the respective client accounts, and computes its investment advisory fees based on these valuations provided by the custodian. Therefore the market value will be determined as reported by the custodian.

Fees are typically assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management. However, in certain circumstances Triumph may exclude certain assets from the assets under management and therefore not charge a fee against them.

If your fee is charged in advance, then your first payment is due upon execution of this agreement, will be based on the opening market value of your Advisory accounts and will be prorated if this agreement is executed at any time other than on the first day of a calendar quarter or month.

If your fee is paid in arrears, then your fee is calculated monthly/quarterly based on the average daily market value of your Advisory accounts as of the last day of the applicable calendar quarter and will be prorated if your agreement is executed at any time other than on the first day of a calendar quarter.

With prior client permission, fees payable to us are deducted from your account when due. We will liquidate money market shares to pay the fee and, if money market shares or cash value are not available,





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other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Investment Management Agreement. The periodic portfolio statements from the custodian disclose all amounts disbursed from your account, including advisory and other service fees paid.

### TERMINATION OF INVESTMENT ADVISORY AGREEMENT

Either Triumph or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month/quarter in which the cancellation notice was given and refunded or billed to you. Upon termination, you are responsible for monitoring the securities in your account, and Triumph will have no further obligation to act or advise with respect to those assets.

### COSTS

Our “wrap” fees shown above (fees which include both Triumph’s advisory fee and certain transaction fees) may be more or less than those charged by us to another client for similar services, and by other advisers for similar services.

Also, our “wrap” fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of transactions and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commission’s being charged to the account

### INTERNAL FEES OF FUNDS AND OTHER INTERNAL COSTS

Since such investments including but not limited to exchange-traded funds, structured products, mutual funds and alternative investments can be part of a client’s portfolio. We must disclose that these investments have additional and separate internal fees. Complete details of these internal fees and expenses are explained in the prospectuses for such investments. You are strongly encouraged to read these explanations before investing any money. Thus, when these funds are in a client’s account, two advisory fees are imposed: one internally by the fund or investment, the other by Triumph Capital Management as disclosed and agreed to in the Investment Advisory Agreement. You may also ask us any questions you have about fees and expenses.

Not all transaction-related expenses are covered by the “wrap” fee. Certain account charges by the custodian, commissions and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our services agreement, and client-ordered transaction commissions are not covered. See the “Fees” section above. Please again consult your TD Ameritrade Institutional paperwork for a complete listing of their ancillary fees.

We do not guarantee the results of investment management or consulting advice we give, including the performance of our investment models. Thus, significant losses can occur by using our services.



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### OTHER COMPENSATION

The Investment Advisor Representatives ("IAR") of Triumph Capital Management receives a portion of the wrap fee paid by you for participation in the program. In addition the Investment Advisor Representatives of Triumph Capital Management are also licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make the purchases or sales through our associates which are not covered by the wrap fee. When selling these products, a conflict of interest exists.

These products and other investments can be linked to your account statement. These investments are not a part of our wrap program and are excluded from the fee you pay.

### MANAGED BY TRIUMPH CAPITAL FEES

Advisory Fees for the Managed by Triumph Capital program at Security Benefit is 1%. The fee is charged in advance on a quarterly basis. Our fee is calculated based upon the market value of the assets in your account.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians ("custodian/ broker-dealer"). Your custodian/broker-dealer for this program is Security Benefit. Security Benefit determines the values of the assets in your portfolio.

Fees for the initial period are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

You must authorize us in writing to have the custodian pay us directly by charging your account. Your custodian provides you with statements that show the amount paid directly to us. You should verify the calculation of our fees. Your custodian does not verify the accuracy of fee calculations.

Fees for the initial period are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

In addition to our fee, you may be required to pay other charges such as:

- Custodial fees;
- Transaction fees;
- SEC fees;





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- Internal fees and expenses charged by mutual funds;
- Other fees and taxes on brokerage accounts and securities transactions;
- You may refer to the section entitled “Brokerage Practices” for additional information about securities trading in your account.

### THE SEPARATE ACCOUNT EXCHANGE PROGRAM FEE

The Separate Account Exchange (SAE) program is geared toward separate account management in which certain portfolio managers approved by Triumph Capital Management manage accounts on a discretionary basis. The SAE program provides you with access to separate account managers.

With a separately managed account, you own the securities within the portfolio and the accounts are managed on a discretionary basis by the selected manager. This allows for flexibility and more control as well as tax advantages over other investment vehicles. For example, existing securities can be considered to avoid overlap, or the purchase of securities that you do not want to own can be restricted. Direct ownership of the securities in the portfolio, allows you, your advisory

representative, and your tax professional to actively manage for taxes (i.e. since each security transaction has a separate cost basis, capital gains and losses can be recognized as necessary to mitigate the impact of taxes). Each separate account has a minimum investment that varies.

Please see each manager’s agreement and their Brochure for specific details such as minimum account size and fees. Triumph Capital Management researches, approves, and maintains this list of approved portfolio managers.

### SEPARATE ACCOUNT EXCHANGE FEE SCHEDULE (TDAI)

Assets Under Management	Max Total Annual Advisory Fee
\$100,000 - \$250,000	2.75%
\$250,001 - \$500,000	2.75%
\$500,001 - \$1 million	2.30%
\$1 million - \$2 million	2.10%
\$2 million +	2.00%

- *\*Account fee charge minimum, absent any money manager minimum, will be at least \$150. Execution, custodial, and clearing fee is included in Total Annual Advisory Fee.*

As a participant in the Program, Client will pay the annualized fees indicated above Quarterly in Advance or Arrears, which will cover all Advisory services for this Account. Also, there may be additional charges such as account fees or transfer costs, IRA custodial charges, etc. which are not included.

The fee paid to Triumph Capital Management or our IARs compensates them for the provision of their personal advisory services rendered in qualifying clients for investment in the program, as



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well as for ongoing supervision and/or portfolio monitoring of client assets. The amount of IAR fees charge to clients is determined by each Triumph Capital Management IAR up to an amount not to exceed the fee breakpoint set for each level of investment.

The client will receive monthly or quarterly accounts statements and transactions confirmations from the custodian. Accounts will be reviewed no less than on an annual basis. Reviews with the portfolio managers will be scheduled with the portfolio managers pursuant to their availability.

*Fees are negotiable and vary depending upon the complexity of the client situation and services provided.*

### SELF-DIRECTED BROKERAGE ACCOUNTS FEE SCHEDULE

Fees are negotiable between the plan participant and your IAR up to a maximum of 3.00%.

Client will pay an annualized fee, which will cover advisory services provided to your account. Separate transaction charges for trading are charged by your custodian. Ancillary charges such as account fees or transfer costs, etc. are also assessed against the account. Please consult your custodian's paperwork for a complete listing of commissions and service fees.

- Your plan may restrict certain investments.
- The SDBA option is available through TD Ameritrade and our fee schedule for SDBA accounts is the same as our Wrap Fee Schedule.

### SDBA ACCOUNTS FEES

ASSETS UNDER MANAGEMENT	MAXIMUM TOTAL ANNUAL ADVISOR FEE **
\$0 to \$99,999.99	3.00%
\$100K to \$499,999.99	2.85%
\$500K to \$999,999.99	2.50%
\$1mm and Above	2.25%

*\* Minimum fee of \$150.00 annually per account. Execution, custodial and clearing fee is included in the Total Annual Fee. Under certain circumstances Triumph and /or your representative, may be compensated out of this portion of your fee.*

*\*\* Maximum permissible annual advisory fee is 3.00% and includes the execution, custodial and clearing Fee.*

Depending on the plan, additional trading fees can apply to the SDBA accounts. Therefore, unlike our wrap fee program above the trading in the account could result in additional transaction fees. Please refer to your plans SDBA window in your retirement plans documents for additional information regarding these ancillary fees.



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### ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

### ITEM 5

We provide investment advice to individuals, high-net-worth individuals, families, businesses, foundations, trusts, estates and conservatorships. We also provide investment advice on and to retirement accounts including but not limited to IRA's, SEP, Simple, Solo's, retirement trusts, defined benefit plans, small business retirement plans and corporate 401(k) plans.

Our minimum initial account value is \$25,000. We may waive account minimums at our sole discretion.

### PORTFOLIO MANAGER SELECTION AND EVALUATION

### ITEM 6

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client's risk tolerance, and then find a manager with the maximum expected return for that level of risk.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We utilize both fundamental and technical analysis. We gather our information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.



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### MANAGED BY TRIUMPH CAPITAL

Managed by Triumph Capital utilizes a model to manage client accounts that are opened and held at Security Benefit. The mutual funds that are available on the Security benefit platform will be the only options available in the allocation mix in this model.

The Managed by Triumph Capital strategy seeks to provide absolute returns during any market cycle or condition by employing a weighted strategic rotation model, between commodities, REITs, bonds, international equities, domestic equities and cash. Utilizing the funds available on the Security Benefit platform, "Managed by Triumph Capital" will select and weight heavily into a selection of asset classes from the categories listed above that they believe are experiencing the most strength, while attempting to avoid those classes which they believe are in downward trends or don't show as much promise to the upside. The asset classes are then weighted on or near the last trading day of each month. Cash or a Security Benefit cash account, money market or fixed account is the only asset class that can be weighted 100%.

On a monthly basis the model is reviewed and the investments inside of the model are rotated. The model may not rotate at all should the manager and his team determine that the current allocation is appropriate.

The model strives to mitigate market volatility by utilizing a "can go-to-cash" risk management procedure should the team feel the overall markets poses too much risk.

Accounts in the Managed by Triumph Capital program are custodian with Security Benefit. Clients should receive at least quarterly statements from Security Benefit. We urge you to carefully review these statements and compare them to the account statements that we may provide you, if applicable. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

### INVESTMENT PHILOSOPHY

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and general asset allocation target. While we believe asset allocation is a key factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital. To that end, we select from a narrow, refined list of institutional fund managers known for excellence in their respective disciplines. We focus primarily on the people, processes, research, consistency, and culture rather than simply recent "high performance" or "track record".

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.



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- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.

We select specific investments for your portfolios through the use of fundamental, cyclical and technical analysis as well as charting. We gather our information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Cyclical analysis is a form of fundamental analysis that involves the process of making investment decisions based on the different stages of an industry at a given point in time.

Technical analysis is a method of evaluation securities by analyzing statistics generated by market activity, such as past prices and volume movements. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts Candlestick, Point and Figure, etc.





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Our investment strategies may include long-term and short-term holds as well as trading (securities sold within 30 days) and the use of options, margin, and short sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the type of investments to be held in your portfolio.

### RISKS OF LOSS

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Investing in securities involves risk of loss which you should be prepared to bear.

There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolios from achieving its investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the any of our strategies. You should be aware that your account is subject to the following risks:

**MARKET RISK** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**FOREIGN SECURITIES AND CURRENCY RISK** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**CAPITALIZATION RISK** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**INTEREST RATE RISK** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**CREDIT RISK** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**SECURITIES LENDING RISK** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.





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**DERIVATIVE RISK** — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

**EXCHANGE-TRADED FUNDS** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares

trading at either a premium or a discount to its "net asset value."

**PERFORMANCE OF UNDERLYING MANAGERS** — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**OPTIONS RISK** - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

### ADVISORY BUSINESS

Please see the description above Item 4.

### PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT.

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our advisory-fee compensation is charged only as disclosed above in Fees and Compensation.

### VOTING PROXIES ON CLIENT SECURITIES.

Triumph Capital Management nor the IAR's affiliated with Triumph vote proxies on behalf of clients who will receive such notices from their account's custodian. We also do not take any action on legal notices we or a client may receive from issuers of securities held in a client's managed account. However, we are available to answer questions regarding such notices.

## CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

## ITEM 7

Non-public information is information about you not accessible to the public. Your social security number, your net worth, and your annual income are examples of non-public information. Public information is information about you readily accessible to the public. Public information may include your name, phone number and address.

For all accounts, including those in the programs described in this brochure, your IAR will have access to all of the non-public information you provide upon account open. This information is protected in accordance with our Privacy Policy. Our Privacy Policy is available on our website and is provided upon account open and annually thereafter.



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Our financial advisors work with you directly to understand your current financial situation, existing resources, financial goals, and tolerance for risk. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments.

### CLIENT CONTACT WITH PORTFOLIO MANAGERS

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We do not place restrictions on the client's ability to contact and consult their financial advisor. If you have chosen a third party to manage your assets, your IAR can schedule a meeting with a portfolio manager. Third party portfolio managers are not required to be available for unscheduled or unannounced visits or calls by clients. However, third party portfolio managers are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

### ADDITIONAL INFORMATION

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#### DISCIPLINARY INFORMATION

Triumph Capital Management does not have any legal, financial or other "disciplinary" item to report.

#### OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

#### INSURANCE

We offer financial and retirement planning services. These services are offered to clients with or without investment advice. We spend a portion of our time providing financial and retirement planning services without investment advice. In addition, the IAR's of Triumph Capital Management are licensed insurance agents and can sell various life insurance products. As a result, Triumph Capital Management or certain associated persons may receive compensation for these activities as insurance agents. A small portion of the time we spend is in connection with these activities.

#### BROKER DEALER

Triumph Capital Management is not a broker/dealer, but our Investment Adviser Representatives ("IAR") are registered representatives of Summit Brokerage Services, Inc. ("SBS"), a full service broker-dealer, member FINRA/SIPC, which compensates them for effecting securities transactions. When placing securities transactions through SBS in their capacity as registered representatives, they may earn sales commissions. Because the IARs are dually registered agents of SBS and Triumph, SBS has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. SBS and



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Triumph are not affiliated companies. IARs of Triumph spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, SBS engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Triumph or its IARs, investments in securities may be recommended for clients. If SBS is selected as the broker-dealer, SBS and its registered representatives, including IARs of Triumph, may receive commissions for executing securities transactions.

You are advised that if SBS is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of Triumph or SBS.

Moreover, you should note that under the rules and regulations of FINRA, SBS has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require SBS to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than SBS. Accordingly, SBS may limit the use of certain custodial and brokerage arrangements available to clients of Triumph and SBS may collect, as paying agent of Triumph, the investment advisory fee remitted to Triumph by the account custodian. SBS may retain a portion of the investment advisory fee you pay, as a charge for the functions it performs, and such portion may be further re-allowed to other registered representatives of SBS. The charge will not increase the advisory fee you have agreed to pay Triumph.

IARs of Triumph, in their capacity as registered representatives of SBS, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, fee trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. However, clients should note that they are under no obligation to purchase any investment products through Triumph's representatives.

### CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Triumph and persons associated with us are allowed to invest for their own accounts or to have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates the potential for a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

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



## WRAP FEE PROGRAM BROCHURE

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

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

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

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Brochure.

### **ACCOUNT REVIEWS AND REVIEWERS — INVESTMENT SUPERVISORY SERVICES**

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by your individual Investment Advisor and are reviewed by the supervisor in charge. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.



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### STATEMENTS AND REPORTS

**YOU ARE URGED TO COMPARE THE REPORTS PROVIDED BY TRIUMPH AGAINST THE ACCOUNT STATEMENTS YOU RECEIVE DIRECTLY FROM YOUR ACCOUNT CUSTODIAN.**

Triumph will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly.

Financial planning clients (i.e. those who have no assets under management with us in our advisory program) will receive quarterly progress calls and an annual plan update if agreed upon in the financial planning agreement.

### CLIENT REFERRAL AND OTHER COMPENSATION

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





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From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Triumph Capital Management and its IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty. However, you should be aware that the receipt of additional compensation through expense reimbursements creates a conflict of interest that may impact the judgment of the IARs when making advisory recommendations.

We have established relationships with other investment advisors through which we act as a solicitor referring you to the other investment advisors management programs. When acting in this solicitor/referral capacity, we will receive a portion of the fee paid to the other investment advisors by you.

### **FINANCIAL INFORMATION**

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitment.