

# TRIUMPH CAPITAL MANAGEMENT

## Part 2a Appendix 1

### Wrap Fee Brochure

August 27, 2017

#### 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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Website: [www.TriumphCapitalManagement.com](http://www.TriumphCapitalManagement.com)



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### ITEM 2: MATERIAL CHANGES

In this item, Triumph Capital Management is required to discuss any material changes that have been made to the brochure:

**Item 4:** Several changes were made to better define our services to you and the fees associated with those services. We have updated our variable product advisory management fees, alternative product advisory management fees, and Managed by Triumph Capital fees.

**Item 6:** Several changes were made to better define our Managed by Triumph Capital model. We have also updated and further described the risk of loss.

**Item 9:** Triumph Capital Management has better defined our Investment Advisor Representatives directed brokerage relationship to Summit Brokerage Services and the conflicts that arise from the relationship. Triumph Capital Management has updated and described further other compensation and the additional conflicts of interest that may arise from other forms of compensation.

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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This Disclosure document is being offered to you by Triumph Capital Management (“TCM”) in connection with the investment advisory services TCM provides. This Wrap brochure discloses information about the services that are provided by TCM and its Investment Advisor Representative’s (“IAR”) and the manner in which those services are made available to you, the client.

TCM is an investment management firm with office sites located in Denver, CO, Canon City, CO, Fort Collins, CO, Louisville, CO, and Malibu, CA. TCM’s headquarters is located at 1610 Wynkoop Street, Suite 550, Denver, CO 80202. TCM specializes in investment advisory services for high-net-worth individuals, families, trusts, estates, retirement accounts, pension plans, and profit sharing plans. The firm was established by Mr. Derek Eichenwald, the firm’s principal owner, in 2016.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients achieve their stated financial goals. TCM may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and TCM execute an engagement letter or TCM’s client agreement forms.

- **Website:** [www.TriumphCapitalManagement.com](http://www.TriumphCapitalManagement.com)
- **Facebook:** [www.facebook.com/triumphcapitalmanagement](http://www.facebook.com/triumphcapitalmanagement)
- **Twitter:** [http://twitter.com/triumph\\_info](http://twitter.com/triumph_info)
- **Linkedin:** [www.linkedin.com/company/triumph-capital-llc](http://www.linkedin.com/company/triumph-capital-llc)
- **YouTube:** <https://www.youtube.com/channel/UCKC2QdvgprAFVASQM40INw>

### ITEM 4: SERVICES, FEES AND COMPENSATION

#### PORTFOLIO MANAGEMENT SERVICES

TCM 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.



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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 TCM. We will meet with you on an as needed 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 TCM discretion in the investment management agreement. When doing so, it allows the TCM's 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 TCM 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



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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, TCM 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 TCM.

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 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 TCM 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.



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Fees payable for asset management services are calculated as a percentage of the total value of investments under management. TCM and the associated IAR's fee shall not exceed a maximum total annual fee of 3.00% annually. 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 advisory accounts is described below:

### TRIUMPH CAPITAL MANAGEMENT FEE SCHEDULE

ASSETS UNDER MANAGEMENT	*MAXIMUM TOTAL ANNUAL ADVISOR FEE *
\$0 and Above	3.00%

\*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.

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





## Wrap Fee Program Brochure

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, 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.





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### 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 TCM 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.



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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.

### VARIABLE PRODUCT ADVISORY MANAGEMENT FEES

A TCM IAR may offer you investment management services on the sub-account allocations within a variable product you own, such as a variable annuity or a variable universal life insurance policy. This service may be provided to you directly by your IAR on a discretionary basis, and this will be detailed in your advisory agreement. Your IAR may use his/her own analysis, research methods, investment style/strategy and ongoing management philosophy when providing this investment management service to you.

If you engage your IAR to provide advice relative to your variable product, you will pay a fee for this service. This advisory fee is separate and in addition to the internal costs inherent to your variable product, and will be calculated as a percentage of your variable product account value, including any cash or cash equivalent positions(s). When this service is provided to you directly by your IAR, the advisory fee is not to exceed 2% per year. The advisory fee you will be charged will be clearly outlined in the advisory agreement you sign with your IAR.

Due to commission payments associated with certain variable products, they present a conflict of interest because they create an incentive to make recommendations based on the compensation that we receive rather than based on your needs. We will explain the specific costs associated with any recommended investments with you upon request. In such cases where a commission was paid on a variable product, TCM will not allow its IAR's to charge a fee for this service for a period of two years following when he/she sold the variable product to you. If your IAR did not sell the variable product to you, this two-year waiting period may or may not apply.

### ALTERNATIVE PRODUCT ADVISORY MANAGEMENT FEES

If you engage your IAR to provide advice relative to your alternative Investments, you will pay a fee for this service. This advisory fee is separate and in addition to the internal costs inherent to your alternative investment and will be calculated as a percentage of your alternative investment account value, as reported by the custodian where your alternative investment is held. When this service is provided to you directly by your IAR, the advisory fee is not to exceed 3% per year. The advisory fee you will be charged will be clearly outlined in the advisory agreement you sign with your IAR.

Due to commission payments associated with certain alternative investments, they present a conflict of interest because they create an incentive to make recommendations based on the compensation that we receive rather than based on your needs. We will explain the specific costs associated with any recommended investments with you upon request. Alternative investments may have different shares



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classes available for purchase including no load options. Please review the prospectus closely and discuss with your IAR. In such cases where a commission was paid on an alternative investment, TCM will not allow its IAR's to charge a fee for this service for a period of three years following when the IAR sold the alternative investment to you. If your IAR did not sell the alternative investment to you, this three-year waiting period may or may not apply.

### OTHER COMPENSATION

The IAR's of TCM receive a portion of the wrap fee paid by you for participation in the program. In addition, your IAR could also be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make the purchase or sale through the Triumph Capital Investment Advisor which are not covered by the wrap fee program. When selling these products, a conflict of interest exists. This is due to commission payment or fee structure associated with the insurance business. Your IAR may have an incentive to affect an insurance transactions for the purpose of generating compensation rather than basing their recommendations solely on your needs. TCM mitigates this conflict by monitoring its IAR's outside business activities and their overall recommendations to you.

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 unless included in our MBTC program, Alternative Management Program, or Variable Product Advisory Management Program.

As disclosed under Brokerage Practices, TCM participates in TD Ameritrade's institutional customer program, and TCM 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 TCM gives to our clients, although TCM receives 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 TCM or our personnel through participation in the program does not depend on



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the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, TCM endeavors at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by TCM 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.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients; we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interest at all times.

From time to time, TCM 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.

### MANAGED BY TRIUMPH CAPITAL FEES

Advisory Fees for the Managed by TCM program at Security Benefit range from 1% to 1.5% depending upon the Security Benefit option chosen. The fee is charged in advance on a quarterly basis. TCM's fee of 1% to 1.5% for the Managed by TCM program 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. The fee is then based on the ending value of your account to include all securities, thereafter.

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. Security Benefit charges a specified fee and expense based on the option chosen for the program. This fee and expenses are exclusive of any internal fees relating to sub-account fees, Mutual funds fees or any other internal fees associated with the investment options available on the Security Benefit platform. The IAR's of TCM may in some instances be compensated as RR's of the broker dealer, Summit Brokerage Services from these fees and expenses based on the option chosen and the additional 1% to 1.5% fee for the Managed by TCM program. TCM is



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providing you with a chart of the fees and expenses regarding the Security Benefit Program. Please review the Security Benefit Mutual Fund Program brochure and the prospectus for additional details.

In addition to the fees for the Managed by TCM Program, the custodian, Security Benefit, also has several additional fees and expenses as shown in the below graph titled "Security Benefit Fees and Expenses."

### Security Benefit Fees and Expenses:

Fees and Expenses	Fee Based Option*	Option 3	Option 4	Option 5	Option 6	Option 7														
Annual Account Fee	\$35 per year for account balances less than \$50,000, No fee for account balances more than \$50,000																			
Purchase Load	0.00%	0.00%	5.50%	0.00%	0.00%	0.00%														
Account Distribution Fee (Custodial Fee)	0.25%	1.00%	0.35%	1.25%	1.20%	1.25%														
Contingent Deferred Sales Charge		YEAR CDSC One 1.00% Two 0.00%			YEAR CDSC  One 1.00%  Two 0.00%	YEAR CDSC One 5.00% Two 4.00% Three 3.00% Four 2.00% Five 1.00% Six 0.00%														
Withdrawal Fee	A \$25 withdrawal fee may apply to any withdrawal not requested through the participant account online at securitybenefit.com																			
Rights of Accumulations	Option 4 Only:	<table><tr><th>Account Balance</th><th>Sales Charge</th></tr><tr><td>&lt;\$50K</td><td>5.50%</td></tr><tr><td>\$50K - \$99,999</td><td>4.75%</td></tr><tr><td>\$100K - \$249,999</td><td>4.00%</td></tr><tr><td>\$250K - \$499,999</td><td>3.25%</td></tr><tr><td>\$500K - \$999,999</td><td>2.25%</td></tr><tr><td>&gt;\$1,000,000</td><td>0.00%</td></tr></table>					Account Balance	Sales Charge	<\$50K	5.50%	\$50K - \$99,999	4.75%	\$100K - \$249,999	4.00%	\$250K - \$499,999	3.25%	\$500K - \$999,999	2.25%	>\$1,000,000	0.00%
Account Balance	Sales Charge																			
<\$50K	5.50%																			
\$50K - \$99,999	4.75%																			
\$100K - \$249,999	4.00%																			
\$250K - \$499,999	3.25%																			
\$500K - \$999,999	2.25%																			
>\$1,000,000	0.00%																			
Loan Fees - All options (not available in all plans or IRA's)																				
Loan Origination Fee	\$100																			
Loan Annual Maintenance Fee	\$50																			
Loan Interest Rate	Prime + 1																			



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What is a (CDSC), Contingent Deferred Sales Charge?

- A contingent deferred sales charge (CDSC) is a fee (sales charge or load) that mutual fund investors pay when selling fund shares within a specified number of years of the date on which they were originally purchased.

**Example:** Total Fee when enrolled in Managed by TCM. *This is for illustrative purposes only.*

**Assumptions:**

- In this example, Option 3 is selected from the above chart “Security Benefit Fees and Expenses.” Option 3 carries an account distribution fee (Custodial fee) of 1% as indicated on the chart. You are reminded that the fee of the TCM program can range from 1% to 1.5%. This is disclosed to you in the account opening paperwork.
- In this hypothetical example, the client’s account has a balance of \$100,000.00. *One Hundred Thousand dollars.*
- The client has also chosen to enroll into the Managed by Triumph Capital Program. The additional cost of adding the MBTC program is in this example 1%. TCM has accepted the client’s enrollment into the program.

**Result: Two layers of fees now apply:**

- First, the 1% for the Security Benefit program, Option #3:  $(\$100,000 \times 1\%) = \$1,000^{**}$
- Second, the 1% for the Managed by Triumph Capital program, MBTC:  $(\$100,000 \times 1\%) = \$1,000^{**}$ 
  - You are reminded the fee for the Managed by TCM Program can range from 1% to 1.5%. The above is for illustrative purposes only, your actual fee will vary.

**\*\***In addition to the fees described above, securities used in the Security Benefit program and MBTC program, i.e., mutual funds, ETF’s, sub accounts may have been subject to other management and administrative fees as described in the prospectuses of these funds. These fees are independent of the fees disclosed above and should be disclosed by the custodian and/or contained in each prospectus or agreements from the fund company. The following example is provided for disclosure purposes only and does not constitute a statement of what fees or expenses the client may actually incur in this program. The following example is provided for disclosure purposes only and does not constitute a statement of what fees or expenses the client may actually incur in this program.

You are not required to enroll into the MBTC program, and you can enroll only into the Security Benefit program and therefore avoid the additional 1% to 1.5% fee associated with the MBTC program.





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Again, your TCM IAR may also be a RR of a broker-dealer. This is disclosed in their ADV Part 2B. Therefore, the 1% fee (Account Distribution / Custodian Fee) for the Security Benefit fee is shared with your RR's broker-dealer, and the broker-dealer compensates the RR for processing the Security Benefit Program through them. When selling you the Security Benefit program, your IAR is acting in the capacity of a RR of a Broker Dealer. This is disclosed throughout this offering, particularly in item 10 of this offering, in your IAR's 2B offering, in the agreements and applications signed by the client when enrolling in the programs and in TCM's Wrap Fee Brochure.

Your advisor is also an IAR of TCM. The fee of 1% to 1.5% for adding the Managed by Triumph Capital program is also shared with your IAR by TCM. If enrolling into the Managed by Triumph Capital program, your IAR is acting in the capacity of an IAR of TCM.

Due to commission payments associated with the Security Benefit program enrollment a conflict of interest may exist. The Security Benefit program offers different options when purchasing, including load and no-load options as well as different CDSC options. Due to commission payments associated with the Security Benefit Program as shown in the above chart, and the fee changed by enrolling into the Managed by TCM program a conflict of interest is presented. This is because they create an incentive to make recommendations based on the compensation that we receive rather than based on your needs. We will explain the specific costs associated with any recommended investments with you upon request. Please review the prospectus closely and discuss with your IAR.

In such cases where a load was paid on a Security Benefit purchase, TCM will not allow its IAR's to enroll you into the Managed by Triumph Capital program. If your IAR/RR did not sell the Security Benefit program to you, this might not apply.

You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The custodian of this account (Security Benefit) provides fee and expenses disclosure on your quarterly statements. An example of this is: "Certain fees and expenses are charged to your account for individual services. The following amounts of these individual expense were charged to your account for the quarter ending 00/00/00":

Expenses ( <i>Quarter Ending 00/00/0000</i> )	
Fee Category	





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Third Party Management Fee**	\$250
Asset Based Fee**	\$250

**Third Party Management fee:** Expenses associated with the Investment Advisory Services provided by the managed account provider. This fee is compensation paid to TCM for providing management services to your account pursuant to your enrollment in the Managed by TCM program.

**Asset Based Fee:** Asset based fees help pay for distribution expense as well as recordkeeping. The asset based fee amount provided in this section may also include a front-end sales charge. This fee as shown on the Security Benefit Fee and Expenses Chart presented above. Your advisor is also a RR of a broker-dealer, Summit. Some portion of the Asset Based Fee charged by Security Benefit may be paid to your RR's broker-dealer, and the broker-dealer may compensate the RR from this payment.

Fees are shown on the Security Benefit Fee, and Expenses Chart presented above. Your advisor is also a RR of a broker-dealer, Summit. Some portion of the Asset Based Fee charged by Security Benefit may be paid to your RR's broker-dealer, and the broker-dealer may compensate the RR from this payment.

Should either one of us terminate the advisory agreement regarding Managed by Triumph Capital that 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 TCM 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.

### 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.



## Wrap Fee Program Brochure

- 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 FEE

ASSETS UNDER MANAGEMENT	MAXIMUM TOTAL ANNUAL ADVISOR FEE **
\$0 and Above	3.00%

\*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.

#### ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

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, 403(b), 457, 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.

#### ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION



## Wrap Fee Program Brochure

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.

### MANAGED BY TRIUMPH CAPITAL

Managed by TCM utilizes a model to manage client accounts that are opened and held at the custodian Security Benefit. The mutual funds, ETF's and/or sub accounts that are available on the Security Benefit platform will be the only options available in the allocation mix in this model. The Managed by TCM 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.

Applying the investment options available on the Security Benefit platform via your Security Benefit Program, Managed by TCM will select and weight heavily into a selection of assets classes that TCM believes



## Wrap Fee Program Brochure

are experiencing the most strength, while attempting to avoid those classes which TCM believes 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 Managed by TCM investment model is reviewed, and the investments inside of the model are rotated as appropriate. The model may not rotate at all should we 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 pose too much risk.

Past performance is not a guarantee of future results. The Managed by Triumph Capital model may not achieve its goals. Market and economic risk may adversely affect the Managed by Triumph model that could result in capital losses in your account. Investing involves risk of loss which you should be prepared to bear.

The Managed by TCM is a program that is limited in nature and is not intended to address all of your advisory needs. Additional services are available by separate agreement. Please review this brochure thoroughly and consult with your IAR about the additional services that are available to you. Inclusion in this program is limited and subject to TCM's discretion. TCM may prohibit any person from participating for any reason or no reason at all.

### INVESTMENT PHILOSOPHY

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

As much as reasonably possible, TCM strives to:

- Diversify strategically with non-correlating assets.
- The balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.



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TCM selects specific investments for your portfolios through the use of fundamental, cyclical and technical analysis, as well as charting. TCM gathers 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.

TCM determines 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 evaluating 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.

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



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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.

Past performance is not a guarantee of future results. The Managed by Triumph Capital model may not achieve its goals. Market and economic risk may adversely affect the Managed by Triumph model that could result in capital losses in your account. Investing involves risk of loss which you should be prepared to bear.

There is no guarantee that investment recommendations made by TCM and your IAR will be accurate.

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 of 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





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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.

**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, TCM depends 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.

**CASH AND CASH EQUIVALENTS** — A portion of your assets may be invested in cash or cash equivalents to achieve your objective, provide going distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.

**FIXED INCOME SECURITIES** — The return and principal value of bonds fluctuate with changes in market conditions. Fixed income securities have interest rate risk and credit risk. As interest rates rise, existing bond prices fall and can cause the value of an investment to decline. Changes in interest rates generally have a greater effect on bonds with longer maturities than those with shorter maturities. If bonds are not held to maturity, they can be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as "junk bonds", carry higher risk of loss of principal and income than higher rated investment grade bonds.

**EQUITY SECURITIES** — In general, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors, including events that affect particular issuers as well as events that affect entire financial markets or industries. Small and mid-capitalization stocks may have greater price volatility, lower trading volume and less liquidity than large capitalization stocks.





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**MUTUAL FUNDS** — Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds or U.S. government bonds. There are risks associated with each asset class.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be more or less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax.

Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. Their risks may become magnified depending on how much a fund invests or uses certain strategies.

You will find additional information regarding these risks in the prospectus for each individual mutual fund held in your account. You can request a copy of a prospectus from your IAR or by contacting the investment company directly.

**ALTERNATIVE INVESTMENTS** — Alternative investments are illiquid investments and do not trade on a national securities exchange. Alternative investments typically include investments in direct participation program securities (partnerships, limited liability companies, business development companies or real estate investment trusts), commodity pools, private equity, private debt or hedge funds. Alternative investments are subject to various risks, such as illiquidity and property devaluation based on adverse economic and real estate market conditions.

Alternative investments are not suitable for all investors. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

You will find additional information regarding these risks in the product's prospectus. You can request a copy of a prospectus from your IAR. You should read the prospectus carefully before investing in an alternative investment.

### ADVISORY BUSINESS



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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

TCM 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.

## ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

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.

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.

## ITEM 8: 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.

### ITEM 9: ADDITIONAL INFORMATION

#### DISCIPLINARY INFORMATION

TCM does not have any legal, financial or other "disciplinary" items to report. Your IAR will provide you with Form 2B that is specific to their individual disciplinary record. More information may be found by visiting [www.FINRA.org](http://www.FINRA.org) or [www.SEC.gov](http://www.SEC.gov).

- Triumph Capital Management's CRD number is: 282814
- Triumph Capital Management's SEC number is: 801-107312

#### INSURANCE

TCM's IAR's may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through TCM or its IAR's. Please note that IAR's spend less than 10% of their time on business relating to Insurance.

#### BROKER DEALER

TCM is not a broker/dealer, but some of TCM's Investment Adviser Representatives are RR's 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 RR's, they may earn sales commissions. Because the IAR's are dually registered agents of SBS and TCM, SBS has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. These dually-registered individuals are subject to applicable industry rules that restrict them from conducting securities transactions away from SBS unless SBS provides the individual with written



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authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SBS. This presents a material conflict of interest because your IAR may have an incentive to effect securities transactions for the purpose of generating commission rather than basing his/her recommendations solely on your needs and objectives. TCM mitigates this conflict of interest by monitoring the appropriateness of the recommendations that your IAR/RR makes to you. SBS and TCM are not affiliated companies. IAR's of TCM spends 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 TCM or its IAR's, investments in securities may be recommended for clients. If SBS is utilized for brokerage services, IAR's of TCM may receive commissions for executing securities transactions.

You are advised that when 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 IAR's of TCM 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 RR's. These obligations require SBS to coordinate with, and have the cooperation of its RR's 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 TCM, and SBS may collect, as a paying agent of TCM, the investment advisory fee remitted to TCM 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 RR's of SBS. The charge will not increase the advisory fee you have agreed to pay TCM.

IAR's of TCM, in their capacity as RR's 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. These arrangements present a conflict of interest because they create an incentive to make recommendations for the purchase or sale securities and / or insurance policies based on the amount of compensation your IAR can receive rather than based on your needs. Selection of specific programs, products, or investments may also result in an increase in the total fees and commissions received by the related entities. However, clients should note that they are under no obligation to purchase any investment products through the TCM IAR, who may also be a RR of Summit Brokerage Services.

Due to commission payments associated with the Security Benefit program enrollment a conflict of interest may exist. The Security Benefit program offers different options when purchasing, including load and no-load options as well as different CDSC options. Due to commission payments associated with the Security Benefit Program as shown in the above chart, and the fee changed by enrolling into the Managed by TCM



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program a conflict of interest is presented. This is because they create an incentive to make recommendations based on the compensation that we receive rather than based on your needs. We will explain the specific costs associated with any recommended investments with you upon request. Please review the prospectus closely and discuss with your IAR.

In such cases where a load was paid on a Security Benefit purchase, TCM will not allow its IAR's to enroll you into the Managed by Triumph Capital program. If your IAR/RR did not sell the Security Benefit program to you, this might not apply.

You can find more information on your IAR, and his or her previous and current registrations by visiting FINRA Broker Check: [www.finra.org](http://www.finra.org)

### OTHER REGISTRATIONS

IAR's of Triumph may also be IAR's of Summit Financial Group ("SFG") and Cetera Investment Advisers LLC ("CIA") and are able to offer a variety of advisory programs and services through SFG and CIA in addition to the advisory services our IAR's are able to offer through Triumph. SFG and CIA are affiliated RIAs of Summit Brokerage Services, Inc. When our IAR's conduct advisory business through SFG and CIA, he/she may earn a fee based on the advisory service offered through SFG or CIA. This presents a material conflict of interest because your IAR may have an incentive to offer advisory services through SFG and CIA that result in a higher fee compensation. This fee is separate and in addition to the fees you pay for the advisory services you receive from your IAR through TCM.

You can find more information on your IAR, and his or her previous and current registrations by visiting FINRA Broker Check: [www.finra.org](http://www.finra.org)

### OUTSIDE BUSINESS ACTIVITIES

IAR's of TCM may have Outside Business Activities ("OBA"). The OBA's of your IAR are fully described and disclosed on his/her ADV form 2B. OBA's can present a material conflict of interest because your IAR may have an incentive to spend more time on their outside business activity than focusing on your advisory relationship. TCM monitors and approves OBA's to help reduce this conflict of interest.

You can find more information regarding your IAR's outside business activity by visiting FINRA Broker Check: [www.finra.org](http://www.finra.org)

If you would like to receive a copy of your IAR's most recent ADV form 2B, please contact our Chief Compliance Officer, Brandon Drespling.



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### OTHER POTENTIAL CONFLICTS OF INTEREST

As a fiduciary, the Firm and all Code Persons have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. With this duty, the Firm and its Code Persons can achieve this obligation by trying to avoid conflicts of interest and by fully disclosing all material facts concerning any conflict that does arise with respect to any client. A “conflict of interest” may occur when a Code Person’s private interests may be inconsistent with the interests of the Firm’s clients and/or his/her service to the Firm. Additionally, Code Persons must try to avoid situations that have even the appearance of conflict or impropriety.

Conflicts of interest may arise where the Firm or its Code Persons have reason to favor the interests of one client over another client (e.g., larger accounts over smaller accounts, accounts compensated by performance fees over accounts not so compensated, accounts in which employees have made material personal investments, accounts of close friends or relatives of Code Persons). The Firm prohibits inappropriate favoritism of one client over another client that would constitute a breach of fiduciary duty.

The Firm prohibits Code Persons from using knowledge about pending or currently considered securities transactions for clients to profit personally, directly or indirectly, as a result of such transactions, including purchasing or selling such securities.

Supervision: Mr. Brandon Drespling and Mr. Derek Eichenwald are both principals of TCM. Mr. Drespling is supervised by Mr. Eichenwald and Mr. Eichenwald is supervised by Mr. Drespling. Mr. Drespling and Mr. Eichenwald manage client assets as co-managers. This can be deemed a potential conflict of interest. If you have any questions regarding the supervision of Mr. Drespling or Mr. Eichenwald, please contact Mr. Drespling and Mr. Eichenwald prior to engaging in advisory services with TCM.

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

TCM 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 TCM recommends or acquires 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. TCM recognizes the fiduciary responsibility to place your interests first and has established policies in this regard to avoid any potential conflicts of interest.

TCM has 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.





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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 TCM, guard against violation of the securities laws, and establish procedures for personnel to follow so that TCM may determine whether their personnel are complying with the firm's ethical principles.

TCM has established the following restrictions in order to ensure our firm's fiduciary responsibilities:

A director, officer or employee of TCM 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 TCM shall prefer his or her own interest to that of the advisory client.

- TCM maintains 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 TCM.
- TCM emphasizes 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.
- TCM emphasizes the unrestricted right of the client to select and choose any broker-dealer (except in situations where TCM is granted discretionary authority) he or she wishes.
- TCM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 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.

### 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 TCM against the account statements you receive directly from your account custodian. TCM 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.

### CLIENT REFERRAL AND OTHER COMPENSATION

The IAR's of TCM receive a portion of the wrap fee paid by you for participation in the program. In addition, your IAR could also be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make the purchase or sale through the Triumph Capital Investment Advisor which are not covered by the wrap fee program. When selling these products, a conflict of interest exists. This is due to commission payment or fee structure associated with the insurance business. Your IAR may have an incentive to affect an insurance transactions for the purpose of generating compensation rather than basing their recommendations solely on your needs. TCM mitigates this conflict by monitoring its IAR's outside business activities and their overall recommendations to you.

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 unless included in our MBTC program, Alternative Management Program, or Variable Product Advisory Management Program.

As disclosed under Brokerage Practices, TCM participates in TD Ameritrade's institutional customer program, and TCM 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 TCM gives to our clients, although TCM receives 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



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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 TCM or our personnel through participation in the program does not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, TCM endeavors at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by TCM 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.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients; we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interest at all times.

From time to time, TCM 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.

### OUTSIDE COMPENSATION

TCM may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, TCM agrees to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to TCM. TCM makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-3 under the Investment Advisers Act of 1940.

TCM only refers clients to professionals TCM believes are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and TCM has no control over the services provided by another firm. Clients



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who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by TCM.

If the client desires, TCM will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. TCM will never share information with an unaffiliated professional unless first authorized by the client.

### FINANCIAL INFORMATION

This item is not applicable to this brochure. TCM does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, TCM is not required to include a balance sheet for our most recent fiscal year. TCM is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, TCM has not been the subject of a bankruptcy petition at any time.