

WRAP FEE PROGRAM

Sponsored by



a Registered Investment Adviser

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

Item 2. Material Changes

This amendment includes the following material changes since the prior update:

Bryn Talkington has replaced David Schnier as Chief Compliance Officer of Requisite Capital Management.

As of February 8, 2018, the Firm provides investment management services to the Requisite Energy Fund I LP, a private fund. This change impacts the Sections "Advisory Business," "Fees and Compensation," and "Other Financial Industry Activities and Affiliations."

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Item 4. Advisory Business

Requisite Capital Management LLC (“Requisite”, “Firm”, “us” or “we”) is dedicated to providing high net worth individuals and families a broad range of comprehensive investment advisory services. While our services depend on the specific arrangement with each client, our engagements generally include the provision of advisory services on a wrap fee basis (“Advisory Services”). This means that in addition to providing clients with investment advice, Requisite will charge a single asset based fee that may also include brokerage commissions and transaction charges, fees charged by independent third party managers, custody, comprehensive portfolio reporting and analytics, and other administrative fees and charges.

Requisite was formed on June 16, 2017 and is owned by its founder, Mr. Douglas John. As of March 27, 2018, Requisite had total client assets of \$769,126,372 under advisement including: (i) regulatory assets under management of \$213,398,014 and (ii) assets under advisement¹ (“AUA”) of \$555,728,358.

Requisite’s clients can choose from a wide range of discretionary and/or non-discretionary advisory services (the “Advisory Services”) including:

- Asset Allocation Advice
- Portfolio Management
- Selection of Independent Third-Party Managers and Strategies
- Selection of Alternatives Investments and Private Funds
- Comprehensive Performance Evaluation and Reports
- Wealth Planning

Requisite tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Requisite consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Requisite if there are changes in their financial situation

¹ The term “AUA” refers to assets that Requisite advises on through its wealth planning services that are not otherwise included in the SEC’s definition of “regulatory assets under management” used for reporting purposes on Form ADV Part 1A.

or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Requisite determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Asset Allocation Advice

Requisite believes that asset allocation and investor behavior are primary drivers of investment returns. When providing asset allocation advice, Requisite assists clients in the review and establishment of an asset allocation plan across a client's entire portfolio and makes recommendations based on the client's investment objectives, risk tolerance and market conditions. In the discretionary program, Requisite will monitor the client's portfolio for deviations from the asset allocation plan (within certain agreed upon parameters) and, for assets over which Requisite can exercise discretion, make adjustments to bring the portfolio into conformity the client's plan.

Requisite uses a variety of sources to create its asset allocation models including third party research from financial institutions as well as independent research from Rocaton Investment Advisers ("Rocaton"), an unaffiliated investment adviser that provides proactive, investment consulting and advisory services to sophisticated investors.

Portfolio Management

Requisite primarily advises clients on the allocation of their assets among various investments including but not limited to

- unaffiliated registered funds, including mutual funds and exchange-traded funds ("ETFs")
- independent investment advisers ("Independent Investment Managers") and
- affiliated and unaffiliated unregistered pooled investment vehicles ("Private Funds")
- direct investments in private companies.

Portfolios can be designed to manage client assets within a single asset class or across multiple asset classes. Where appropriate, Requisite may also manage or provide discretionary and non-discretionary investment advice on portfolios consisting of stock, bonds and other pooled investments.

Due Diligence on Investment Recommendations

Before Requisite recommends an Independent Investment Manager or Private Fund it will conduct due diligence on such Independent Investment Manager/Private Funds, either directly through its own internal vetting process and/or through a third party research provider such as Rocaton. Rocaton's due

diligence process includes, among other things, a review of each firm's structure, trading and operations, legal and compliance issues, investment and risk management. Rocaton provides Requisite with regular investment strategy evaluations and detailed information on the manager/strategies, which we use to inform our investment recommendation to clients.

Independent Investment Managers

Traditional SMA Program: Requisite may recommend certain Independent Investment Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Investment Manager may be set forth in a separate written agreement with the designated independent investment manager. Alternatively, Requisite may contract directly with the Independent Investment Manager to advise on a sub-advisory basis. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Investment Managers engaged to manage their assets. In this arrangement, the Independent Investment Manager has day-to-day responsibility for the active discretionary management of the allocated assets. Requisite has no ability to affect the trading decisions of the Independent Investment Managers once they are chosen, but can advise on the decision to engage or terminate a particular manager.

Private Investment Opportunities

Where appropriate, Requisite may recommend clients invest in unregistered investment companies (such as certain hedge funds and private equity funds), as well as direct investment in individual enterprises. These investments are generally only offered to accredited investors and qualified clients, and involve the assumption of unique and often substantial risks which are described in Item 6 and the funds offering documents.

In addition to recommending independent third party managed Private Funds, Requisite acts as the investment manager to one or more privately placed pooled investment vehicles, referred to herein as "Requisite Private Funds".

If a client invests in a Requisite Private Fund, the value of such interests is not included as part of the client's account when calculating Requisite's advisory fees.

Each Requisite Private Fund or Private Fund which may be offered to certain Clients is managed in accordance with its investment objective, strategies and guidelines and is not tailored to the individualized needs of any particular investor in the fund. Therefore, investors must consider whether the Requisite Private Fund meets their investment objectives and risk tolerance before investing.

Information about each Requisite Private Fund can be found in its offering documents, including its private placement memorandum ("PPM"). Each Private Fund offered by Requisite will be organized as a limited partnership or limited liability company under the laws of the State of Texas or another

appropriate jurisdiction, for which a Requisite affiliate will usually serve as general partner or managing member, as applicable, but is not the investment advisor to the fund. Requisite expects each Requisite Private Fund to qualify for an exemption from the definition of "investment company" under Section 3(c)(7) of the Investment Company Act of 1940, as amended to offer interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended. As a result, this disclosure brochure may discuss information relevant to such investors, as necessary or appropriate. Nonetheless, this brochure is designed solely to provide information about Requisite and should not be considered to be an offer of interests in any Requisite Private Fund. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this brochure is designed solely to provide information about Requisite for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act. This information may differ from the information provided in a PPM. The PPM shall govern any conflict between discussions herein and similar or related discussions in any PPM.

Comprehensive Performance Evaluation and Reports

Requisite provides certain clients with periodic evaluation reports of accounts and each portion managed by the Firm and/or other Independent Investment Managers and Private Investments. The report details the performance and asset allocation of said account(s), along with the relative portion of a client's accounts managed by Requisite and/or each Independent Investment Manager and Private Investment. Requisite receives its information from account custodians, broker-dealers, Independent Investment Managers, managers to Private Investments and/or other parties and while such information is believed to be accurate and reliable, the Firm cannot guarantee it. To the extent that erroneous information is provided to Requisite by another Independent Investment Manager, managers to Private Investments, broker-dealers, account custodians or other parties, the Firm is not responsible for any inaccuracies which are contained in the report. At Client's request, Requisite will consider the asset classes of investments and property that are not invested with or through one of the Firm's investment advisory accounts ("Client Requested Assets") for asset allocation purposes and will report the performance of those investments relative to an appropriate benchmark, but will not otherwise provide due diligence or monitoring services on such assets. Including Client Requested Assets in performance reports does not constitute investment advice or a recommendation or endorsement by Requisite of any such investment(s).

Wealth Planning

In addition to investment management services, Requisite offers clients a broad range of financial planning, credit management and investment advice services, which may include cash flow analysis, trust and estate planning, insurance planning, retirement planning, tax planning and other investment

advice. In performing these services, Requisite relies on the information received from the client or from the client's other professional advisor (e.g., attorneys, accountants, etc.) and does not independently verify the accuracy of that information.

Fees for Use of the Advisory Services

Advisory Fee

The Advisory Services are generally offered on a fee basis, meaning clients pay a single annualized fee (the "Advisory Fee") based upon their assets being managed by Requisite (for purposes of this ADV, "AUM"). This Advisory Fee generally varies between 35 and 150 basis points (0.35% – 1.50%) of AUM, depending upon the size and composition of a client's portfolio and the type of services rendered.

In the Traditional SMA Program, the Advisory Fee generally does not include the asset management fees of the Independent Investment Managers. Third party asset management fees in the Traditional SMA Program generally range from 10 and 150 basis points (0.10% – 1.50%) of AUM and are in addition to the Advisory Fee charged by Requisite.

The annual Advisory Fee is prorated and charged quarterly, in advance, based upon the market value of the client's AUM on the last day of the previous billing period. Requisite will then calculate the average daily balance during the respective billing period taking into account fluctuations in the market price of securities and assets that are deposited into or withdrawn from an account(s). The Advisory Fee is then adjusted at the end of the quarter to reflect the actual average daily balance during the billing period. Adjustments are then made to the Advisory Fee charged in advance to reflect the actual average daily balance. For the initial period of an engagement, the Advisory Fee is calculated on a *pro rata* basis. In the event the client's advisory agreement with Requisite is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

To the extent Requisite receives a rebate or revenue share from an investment manager of an alternative investment, Requisite shall credit the value of such rebate *pro rata* to its client's invested in that alternative investment, which will appear as an offset to Requisite's management fee.

Cash and cash alternatives such as Institutional and "sweep" money market funds are generally included in the account value when calculating the "average daily balance". Clients should understand that the portion of the account held in cash or cash alternatives will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash balance. Certain investment strategies can include high allocations to cash. Clients should periodically re-evaluate whether their selection of such a strategy is appropriate in light of their financial situation and investment goals. The Firm will only recommend such an allocation if it determines it is in the best interest of the client.

Additionally, for asset management or portfolio reporting services that Requisite provides with respect to

certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, employee stock plan, 401k, deferred compensation plan, etc.), Requisite may negotiate an Advisory Fee rate that differs from the range set forth above.

Performance Fees

Requisite is compensated for providing its Long/Short Healthcare Portfolio Strategy through an asset-based management fee plus a performance fee. A performance fee is compensation on the basis of a share of capital gains on or capital appreciation of a client's funds. Clients pursuing the Long/Short Healthcare Portfolio Strategy are charged a base management fee of 0.50% of the amount managed under this strategy ("Management Fee"). Clients are also charged a performance fee of 15% of total capital gains in excess of the high water mark net of any fees, expenses, and losses and as adjusted for contributions and withdrawals (the "Performance Fee" and together with the Management Fee, the "Management Fees"). The high water mark is calculated at the aggregate account level rather than on an investment-by-investment basis.

The Management Fee is deducted directly from the client's assets quarterly in advance and the Performance Fee is deducted directly from the client's assets quarterly in arrears. The Management Fees for the quarter in which an account becomes effective and the quarter in which an account is terminated, in each case if the account is not in effect throughout such quarter, will be pro-rated for the number of days in which the account was in effect.

In addition, Requisite and a Client may also agree on a case-by-case basis to compensate Requisite solely with a performance fee in certain situations. One such instance may include situations in which Requisite recommends the Client invest in a Private Investment managed by Requisite or a third party. For Private Investments managed by a third party, the third-party asset manager will also charge a separate investment management fee and performance fee that the Client will be responsible for paying.

Reporting Only Fee

At the client's request, Requisite may, on a brokerage basis, charge a "Reporting Only Fee" of up to 0.25% for consolidating the performance of investments that are not purchased or sold through Requisite but which are nonetheless part of a client's overall asset allocation. This is not an advisory service provided by the Firm, but instead a service provided by the Supervised Persons in their capacity of registered representatives of FallLine.

Wealth Services Fee

Requisite may charge a fixed annual fee for providing a broad range of financial planning, discretionary investment management, non-discretionary investment advisory services, wealth planning, and other

services designed to assist ultra-high net worth Clients in managing their wealth (the “Wealth Planning Services”). Fees are negotiated based on the scope and complexity of the services.

The terms and conditions of the Wealth Planning Services are set forth in a wealth services agreement and Requisite generally requires one-quarter of the fee payable upon execution of an agreement. The outstanding balance is generally due quarterly in advance.

Financial Planning Fee

Requisite may charge a fixed fee for providing financial planning, credit management and investment advice under a stand-alone engagement. These fees are negotiable, but generally range from \$2,500 to \$25,000, depending upon the scope and complexity of the services. If the client engages the Firm for additional investment advisory services, Requisite may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or investment advice services.

The terms and conditions of the financial planning and/or investment advice engagement are set forth in an advisory agreement and Requisite generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of an advisory agreement. The outstanding balance is generally due upon delivery of the agreed upon services.

Retirement Plan Consulting Fees

Requisite offers retirement plan consulting services for an annual fee based on the amount of assets in the retirement plan. This management fee generally varies up to 25 basis points (0.25%), depending upon the size and composition of the plan and the services rendered (“Retirement Plan Consulting Fee”). The actual Retirement Plan Consulting Fee for any particular client is set forth in their Advisory Agreement.

Fee Comparison

As referenced above, a portion of the Advisory Fees paid to Requisite are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients’ portfolios, custody of client assets, portfolio reporting and other administrative services.

The wrap fee Advisory Services may cost clients more or less than purchasing these services separately. Fees paid for the Advisory Services may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Requisite may recommend investments or investment strategies that are long term in nature with a buy and hold basis. These investments could result in low turnover in the account(s). For wrap fee accounts, Requisite will continue to charge an advisory fee regardless of the number of transactions in the account.

In addition, certain types of investment, such as private equity investments are less liquid than publicly traded securities with some having significant holding requirements. Clients may be able to purchase these or comparable investments on a brokerage basis which may result in a lower aggregate cost over time to the client.

Fee Discretion

Requisite, in its sole discretion, may negotiate to charge a lesser Advisory Fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Other Charges

In addition to the advisory fees paid to Requisite, clients may also incur certain charges imposed by other third parties, such as broker-dealers (other than Raymond James), custodians, trust companies, banks and other financial institutions. These additional charges may include fees charged by the Independent Investment Managers, fees attributable to alternative assets and Private Funds, margin or other borrowing costs, mark-ups or mark-downs priced in to fixed income products by the broker-dealer, charges imposed directly by an ETF or mutual fund in a client's account as disclosed in the fund's prospectus, fees and commission for assets not held with or traded through Raymond James (such as 401(k) or 529 plan assets), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. Clients will bear, in addition to the Advisory Fee, a proportionate share of any fees and expenses associated with ADRs, GDRs, and REITs, if applicable, in which account assets are invested, and may also bear any fees and expense associated with converting non U.S. securities into ADRs or GDRs, if applicable.

In the event an SMA Manager elects to utilize brokers or dealers other than Raymond James to effect a transaction in a recommended security ("trade away" from Raymond James), brokerage commissions and other charges for transactions not effected through Raymond James are generally charged to the client by the executing broker or dealer, whereas the wrap fee assessed by Raymond James covers the cost of brokerage commissions on transactions effected through Raymond James. In the event an SMA Manager elects to trade away from Raymond James, those transactions are generally traded from broker to broker and are usually cleared without any commissions. However, the client should be aware that, in many cases, the executing broker or dealer may assess a commission or other charges to the transaction and such costs will be in addition to the wrap fee assessed by Raymond James. As a result, the net purchase or sale price reflected on trade confirmations provided by Raymond James on such trades may reflect brokerage commissions or dealer markups or markdowns charged by the executing broker, that are not separately itemized by Raymond James. Additionally, investment disciplines of SMA Managers that elect

to trade away from Raymond James will generally be more costly to clients than those disciplines of SMA Managers that elect to trade exclusively or primarily through Raymond James.

Mutual Funds

Requisite will recommend that certain clients invest account assets in open-end mutual funds (including money market funds), closed-end funds, exchange traded funds, and other registered collective investment vehicles that have various internal fees and expenses, which are borne by the client as an investor. These “Shareholder Services Fees” are often referred to as trailers, rebates or revenue sharing arrangements and are received from various mutual fund companies with respect to clients whose assets are invested in those mutual funds.

The payment of these fee to investments advisers, their affiliates and Supervised Persons can be substantial, typically ranging from 5 to 50 basis points (0.05% to .50%) of the mutual fund depending on the mutual fund purchased. This practice creates a conflict of interest in so far as advisers have a financial incentive to recommend mutual funds over other investments and higher paying mutual funds over lower paying mutual funds.

In order to eliminate these conflicts, neither Requisite nor its affiliates or supervisory persons are permitted to receive any Shareholder Service fees with respect to assets in Requisite’s wrap fee program accounts.

Requisite generally uses institutional or advisory share classes that typically have a higher initial minimum investment and lower expense ratios as compared with other retail share classes. However, in some instances, Requisite may not be able to purchase institutional or advisory share classes through its third party custodian. In other instances, Requisite may be able to purchase other share classes, such as load waived A shares, which typically have a higher expense ratio than institution share classes. Client should not assume that they will only be invested in mutual funds with the lowest expense ratio.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the funds (and not Requisite) to deter “market timers” who trade actively in fund shares. Clients should consider these short-term trading charges when requesting liquidation of shares. These charges, as well as operating expenses and management fees, may increase the overall cost to the client by 1%-2% (or more) of the mutual fund, and are available in each fund’s prospectus.

Certain ETFs may be classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Clients should consult their tax adviser for additional information regarding the tax consequences associated with the purchase, ownership and disposition of such investments. Additional information is also available in the ETF prospectus, which is

available upon request.

Alternative Investments

An important component of the selection process of Private Investments such as hedge funds, private equity funds, private real estate funds and structured products includes carefully reading the accompanying offering documents and/or prospectus prior to making a purchase decision. The offering documents contain important information that will help the client make an informed choice.

As part of the review process, a client should consider the fees and expenses associated with a particular alternative investment. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments.

While each investment will differ in terms of both total fees and expenses and how those fees and expenses are calculated, the following section will discuss the primary categories of fees and expenses that are common to many alternative investments.

- *Management fees:* The manager for any particular investment will often charge a management fee that is based on the total value of your investment. As the value of your investment increases, the total management fees that a manager receives may increase. As the value of your investment decreases, the total management fees that a manager receives may decrease. These fees are similarly structured but are often higher than management fees associated with other, more traditional, investments such as mutual funds.
- *Incentive-based compensation:* Many alternative investment managers receive incentive-based compensation in addition to management fees. Incentive-based fees typically involve the manager retaining a percentage of profits generated for clients. Fees related to incentive compensation are often referred to as incentive/performance-based fees or carried interest. It is important to note that these fees are in addition to management fees that are charged by the manager and that the exact calculation of incentive fees or carried interest differs by product and manager. Requisite does not typically share in any incentive-based compensation to which an investment manager is entitled.
- *Redemption fees:* Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors.

Valuation

Requisite generally relies on the prices provided directly to it by account custodians (e.g., Raymond James). Custodians, in turn, generally rely on prices provided by reputable, independent third parties. Different custodians may value assets using a slightly different method (e.g., trade date versus settle date).

As a result, if a client has assets held by a third party custodian (other than Raymond James), the prices shown on a client's account statements provided by the custodian could be different from the prices shown on statements and reports provided by Raymond James.

Therefore, in the event Requisite bills the account, the account statement sent by Raymond James may differ from the reports sent by Requisite. Clients are encouraged to compare the statements received from custodians with the Requisite performance statement.

Fixed income securities, including brokerage certificates of deposit, are priced using evaluations, which may be matrix- or model based, and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount a client would pay (or receive) in an actual purchase (sale) of the security. These prices, which custodians obtain from various sources, assume normal market conditions and are based on large volume transactions.

In the event that Requisite references private investment funds owned by the client on any supplemental account reports prepared by Requisite, the value(s) for all such private investment funds shall generally reflect either the initial purchase, the most recent valuation provided by the fund or the fund administrator and for reported purposes, contributions and distributions occurring since the most recent valuation from the administrator (adjusted value).. In some cases, the most recent valuations may not be provided until several months after quarter end and they will typically be unaudited. If the evaluation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

Custodians may be unable to price certain securities or may assign prices that do not reflect current market conditions. In the normal course of providing investment advisory services to clients, Requisite will assess the prices assigned by custodians and other sources.

Direct Fee Debit

Clients generally provide Requisite Capital Management and/or certain Independent Investment Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Requisite Capital Management.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time. Clients may withdraw account assets on notice to Requisite Capital Management, subject to the usual and customary securities settlement procedures. Requisite Capital Management may consult with its clients about the options and

implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Client should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into an advisory account, client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, clients should consider and speak to us about whether:

- A commission was previously paid on the security;
- Client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- Client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

Use of Margin

Requisite Capital Management may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to Requisite Capital Management will be increased. This results in a conflict of interest for the Firm to recommend the use of margin.

Commissions and Sales Charges for Recommendations of Securities

Requisite's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Requisite's behalf and are subject to the Firm's supervision or control ("Supervised Persons") may, in their individual capacities, as insurance agents or registered representatives of a broker-dealer and/or other professionals be separately retained to render securities brokerage and insurance services under a separate commission-based arrangement.

The Firm's Supervised Persons, in their individual capacities as registered representatives of FallLine Securities, LLC, may provide securities brokerage services and implement securities transactions and lending arrangements under a separate commission based compensation arrangement. Supervised Persons will be entitled to a portion of the brokerage commissions paid to FallLine, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. FallLine receives a portion of the Firm's advisory revenue for services provided to the Firm and supervision of its Supervised Persons. Requisite Capital Management may also recommend no-load or load-waived funds, where no sales

charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate brokerage account agreement.

Clients should be aware that the Firm does not have the ongoing advisory responsibility to manage the assets held in the FallLine brokerage relationship.

A conflict of interest exists to the extent that Requisite recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Requisite Capital Management, in its sole discretion, deems appropriate, Requisite Capital Management may provide its investment advisory services on a fee-offset basis. In this scenario, Requisite Capital Management may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of FallLine.

Item 5. Account Requirements and Types of Clients

Requisite offers services to high net worth families and individuals, family limited partnerships, trusts, estates, and in some cases, charitable organizations, corporations, privately offered pooled investment vehicles and business entities.

Prior to Requisite rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Requisite setting forth the relevant terms and conditions of the advisory relationship. In most cases, Clients must also open one or more securities brokerage accounts and complete a new account agreement, typically with Raymond James, or another broker-dealer that Requisite approves to provide custody and clearing services (collectively "Financial Institutions").

Minimum Account Value

As a condition for starting and maintaining an investment management relationship, Requisite generally imposes a minimum portfolio value of \$5,000,000 since many of the investments recommended require that a client have "qualified purchaser" status. Requisite may, in its sole discretion, accept clients with smaller portfolios. Requisite may aggregate the portfolios of family members to meet the minimum portfolio size.

Item 6. Portfolio Manager Selection and Evaluation

Requisite acts as the sponsor and portfolio manager under the Program. In addition, the Firm recommends the discretionary management of certain client assets by Independent Investment Managers, as referenced above

Methods of Analysis

All Independent Investment Managers, Private Funds and Private Investments undergo a due diligence process that includes: Initial Manager Evaluation, Quantitative Analysis, Face to Face Due Diligence and Ongoing Monitoring.

Investment Strategies

Requisite will implement its investment strategies by recommending the following types of investments:

- Core ETF Strategies
- Master Limited Partnerships
- Options Strategies
- Hedge Funds
- Private Equity Funds
- Private Credit Funds
- Trading (short and long term purchases); and
- Margin transactions.

The foregoing is not a comprehensive list of the methods of analysis and strategies that may be employed by us, nor are the descriptions necessarily the only ways in which the methods of analysis and strategies may be implemented.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risks:* The profitability of a significant portion of Requisite's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Requisite will be able to predict those price movements accurately or capitalize on any such assumptions.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as

exchange rate risk.

- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk to profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasuries are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Correlation Risk:* This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.
- *Counterparty/Default Risk:* This is the risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.
- *Valuation Risk:* This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.
- *Tax Risk:* This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment. For example, a client may invest in Master Limited Partnership ("MLP") units, which may result in unique tax treatment and may not be appropriate for tax qualified retirement accounts not be appropriate for tax-qualified retirement accounts.

Exchange Traded Funds

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

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

Use of Independent Investment Managers

As stated above, Requisite may select certain Independent Investment Managers to manage a portion of its clients' assets. In these situations, Requisite continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Investment Managers' ability to successfully implement their investment strategies. In addition, Requisite generally may not have the ability to supervise the Independent Investment Managers on a day- to-day basis.

Use of Private Collective Investment Vehicles and Other Alternative or Private Investments

Requisite Capital Management recommends that certain clients invest in alternative investments, including privately place debt or equity of companies or investments in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). These investments are less liquid than publicly traded securities with some having significant holding requirements. The managers of the collective vehicles have broad discretion in selecting the investments.

Often times the investments are not registered or subject to less registration. There are numerous other risks in investing in these securities. Clients should consult each investment's prospectus or private placement memorandum and/or other documents explaining such risks prior to investing.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Use of Margin

While the use of margin borrowing or other leverage can substantially improve returns, it may also increase overall portfolio risk. Leverage transactions are generally effected using capital borrowed from a

financial institution, which is secured by a client's holdings. Under certain circumstances, a lending financial institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the financial institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Derivatives

The use of derivatives such as swaps, commodity-linked structured notes and futures entails substantial risks, including risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, counterparty risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Derivatives, primarily futures and forward contracts, generally have implied leverage (a small amount of money to make an investment of greater value). Because of this, extensive use of derivatives may magnify any gains or losses on those investments as well as the risk of any fund using derivatives.

Alternatives

Rocaton may recommend investments in funds which utilize various non-traditional investments strategies, including those that employ trading techniques to "short" the market, those that include exposure to nontraditional asset classes such as commodity futures and currency forwards. Clients should consider their overall allocation to alternative investments when determining the appropriateness of such a strategy.

Voting of Client Securities

Requisite generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Requisite will not render any advice to or take any actions on behalf of clients with respect to the initiation or pursuit of any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments transacted or held in client accounts, or the issuers thereof, become subject. The right to take any actions with respect to any legal proceedings, including bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is the client's responsibility.

Item 7. Client Information Provided to Portfolio Managers

Requisite is the client's primary portfolio manager. In the ordinary course of advising a new client,

Requisite will seek to understand their financial position, investment goals and objectives (e.g., risk tolerance and time horizon), investment limitations, reasonable investment restrictions and risk tolerance. This information is used to help Requisite determine which portfolio manager(s) fits the clients' investment needs. At least annually, members of the Firm will contact clients to determine whether they have had any changes to their Investor Profile.

To the extent a client investment in an Independent Investment Manager in the Tradition SMA Program, Requisite may discuss certain non-public information with such Independent Investment Managers in order to ensure that the Independent Investment Manager has information needed to provide its services. This information may include the client's financial positions and investment objectives in an effort to ensure that the Independent Investment Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

Item 8. Client Contact with Portfolio Managers

Requisite does not place restrictions on client access to Requisite or its personnel. Clients may contact their Independent Investment Manager, but generally do so through Requisite. Requisite does not place any restrictions on a client's ability to access Independent Investment Managers in the Traditional SMA program and will facilitate access to Independent Investment Managers and managers of private funds at the client request.

Item 9. Additional Information

Disciplinary Information

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

Other Financial Industry Activities and Affiliations

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

Certain of the Firm's Supervised Persons are registered representatives of FallLine and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Relationship with FallLine Securities

Requisite maintains a business relationship with FallLine Securities LLC, a broker-dealer registered with the SEC and a member of FINRA and the Securities Investor Protection Corporation (SIPC), which provides the Firm with operational and back office support including access to a network of service providers. In addition, certain of the Firm's Supervised Persons are registered representatives of FallLine and/or principals of FallLine's parent company and may provide clients with securities brokerage services under a separate commission-based arrangement.

Through FallLine's network of service providers, Requisite has access to trading technology, transition support, reporting, custody, brokerage, investments, compliance and other related services. The Firm reviews all such relationships, including the service providers engaged through FallLine, on an ongoing basis in an effort to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

Licensed Insurance Agents

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

Requisite Private Funds

RCM GP, LLC is the general partner of Requisite Energy Fund I, LP and under common control with Requisite. Recommending Clients invest in Requisite Private Funds creates a potential conflict of interest between Requisite and these Clients. This conflict exists due to Requisite's receipt of the investment management fees, carried interest and/or other distributions from the Requisite Private Funds. This conflict is mitigated through a continual disciplined approach to assessing the client's investment objectives and risk tolerance, and ensuring the client has reviewed Requisite Private Fund documents before investing.

Code of Ethics

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

The Code of Ethics also requires certain of the Firm's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings,

limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. The Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

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

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

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds, exchange traded products or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact the Firm to request a copy of its Code of Ethics.

Account Reviews

Requisite monitors client portfolios on a regular and ongoing basis. Client account reviews are generally conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Requisite and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and General Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from Raymond James and any other financial institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Requisite and/or an outside service provider, which contain certain account and/or market-related

information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Requisite or an outside service provider.

Client Referrals

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

Software and Support Provided by Raymond James Financial Services

Requisite recommends that clients utilize the custody, brokerage and clearing services of Raymond James Financial Services (“Raymond James”) for investment management accounts.

Factors which Requisite considers in recommending Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Requisite does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

In seeking best execution in recommending Raymond James, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Requisite in its investment decision-making process. The receipt of investment research products and/or services poses a conflict of interest because Requisite does not have to produce or pay for the products or services. Requisite periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Requisite may receive, without cost from Raymond James, computer software and related systems support, which allow Requisite to better monitor client accounts maintained at Raymond James. Requisite may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Raymond James. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit Requisite, but not its clients directly. In fulfilling its duties to its clients, Requisite endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Requisite’s receipt of these benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems support or services.

Specifically, Requisite may receive the following benefits from Raymond James:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Trade Aggregation and Directed Brokerage

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

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Directed Brokerage

Clients may direct Requisite and/or its subadvisors, in writing, to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by Requisite (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Requisite and/or its subadvisors may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

Financial Information

Requisite Capital Management is not required to disclose any financial information due to the following:

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