

**Prairie Rivers Investments, LLC**

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Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure

February 15, 2018

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Prairie Rivers Investments LLC (“Prairie Rivers Investments”). If you have any questions about the contents of this brochure, please contact us at 618-544-9010. 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. Prairie Rivers Investments 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 Prairie Rivers Investments LLC 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 IARD number. The IARD number for Prairie Rivers Investments LLC is 288153.

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## ITEM 2 – Material Changes

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

The following changes have been made since our initial filing on June 8, 2017:

- Added Non-Discretionary Investment Management services under Item 4.

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, Ryan Keen at [Ryan@ourpri.com](mailto:Ryan@ourpri.com) or 618-544-9010.

We encourage you to read this document in its entirety.

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## ITEM 4 – Services, Fees & Compensation

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We offer a wrap fee program as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### Our Wrap Advisory Services

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We offer discretionary and non-discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. We provide these services in four different levels, Bronze, Silver Gold and Platinum as described below.

*Bronze Level:* Services include an Annual Review, utilization of Riskalyze, Quarterly FI360, Beneficiary Review, Power of Attorney Check-Up and an Investment Policy Statement.

*Silver Level:* Services include those listed above at the Bronze Level, plus Advisor Access+, Tax Clarity Review and Social Security Timing.

*Gold Level:* Services include those listed above at both the Bronze and Silver Levels, plus Major Purchase Assistance, a Coordinated Professional Meeting, Insurance Analysis, All Year Tax Harvesting and a Document Vault.

*Platinum Level:* Services include those listed above at the Bronze, Silver and Gold Levels plus Family Office Services, Charitable Giving Reviews & Planning and Trust Consulting.

All of our service levels include Investment Analysis, Allocation of Investments, Quarterly portfolio Reports, and Ongoing Monitoring of Client Portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds ("ETFs"), and individual debt (bonds) and equity securities in accordance with their stated investment objectives.

Through our use of MoneyGuidePro and Riskalyze, we will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and have allocated them, we will provide ongoing portfolio review and management services.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them on an ongoing basis, using our investment process and based on your investment objectives and on the combination of our market views. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position or other investment held in client portfolios. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). If a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks may exist that adversely affect an account's performance. This could result in capital losses in your account.

Prairie Rivers Investments provides investment advice and recommendations based on the investment strategies of Third Party Managers ("Managers" or "TPM"). Selected Managers are evaluated by Prairie Rivers Investments for client use. (See more about Third Party Managers in Item 8 below).

Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers. The intent of this service is to have a selected list of high quality and recognizable third party investment management firms from which you select one or more Managers to handle the day-to-day management of your account(s). Managers selected for your investments need to meet several quantitative and qualitative criteria established by Prairie Rivers Investments. Among the criteria that may be considered are the Manager's experience and regulatory record, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process. Information collected by our firm regarding Managers is believed to be reliable and accurate but Prairie Rivers Investments does not necessarily independently review or verify it on all occasions.

Following recommendations by our Investment Adviser Representatives ("IAR"), you will have final authority to select a Manager. The IAR will assist you in completing appropriate documents. Prairie Rivers Investments' IARs assist clients with identifying their risk tolerance and investment

objectives. IARs will recommend TPMs in relation to the client's stated investment objectives and risk tolerance. A client may select a recommended TPM based upon the client's needs. Clients will enter a Third Party Advisory Program Agreement directly with Prairie Rivers Investments.

Prairie Rivers Investments IARs shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the Manager. Managers may take discretionary authority to determine the securities to be purchased and sold for the client. Neither Prairie Rivers Investments nor its associated persons will have any trading authority with respect to clients' managed account with the TPM(s).

All accounts are managed by the selected Manager and Prairie Rivers Investments does not have any discretionary trading authority with respect to such accounts. All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and Prairie Rivers Investments. Prairie Rivers Investments does not audit or verify that these results are calculated on a uniform or consistent basis as provided by a Manager directly to Prairie Rivers Investments or through the consulting service utilized by the Manager.

Prairie Rivers Investments has entered into agreements with various independent Managers. Under these agreements, Prairie Rivers Investments offers client's various types of programs sponsored by these Managers. All third-party Managers to whom Prairie Rivers Investments will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established.

#### Relative Cost of the Program

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A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed trades. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

Prairie Rivers Investments charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian may charge

transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

We charge a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and depending on the Bronze, Silver, Gold or Platinum Levels, the services listed Item 4. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

As described above, we offer different service platforms as part of the annual fee. Platforms with fewer services are less expensive, while platforms with more included services are more expensive. Services may be added to a lower cost platform in an à La Carte manner, for an additional fee. Our maximum annual advisory fee is for accounts paying a percentage of assets under management is 1.50%. The specific advisory fees and services are set forth in your Investment Advisory Agreement.

The fees for accounts are based on an annual percentage of your assets that we manage. The fees are billed in arrears and on a three-month billing cycle. Only the initial fee will be based upon the average daily balance of the household's total assets under management from the date the account is accepted for management by execution of the investment advisory contract by the Firm and assets are transferred, and then prorated for the number of days in the three-month billing period that your account is under management. Thereafter, the fee will be based on the average daily balance during the three-month billing period. Unless otherwise agreed upon and stated in Exhibit B of the Investment Management Agreement, fees are assessed on all assets under management, including securities, cash and money market balances. In some cases, additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Account Fee. Prairie Rivers Investments reserves the right to make exceptions to the standard advisory fee schedule and account minimums noted in this Brochure.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

In some instances, as stated and agreed to in the client's Investment Advisory Agreement Appendix B, the fees for certain accounts under management will be based on the quarter end value as reported by the Custodian.

Unless instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your parents, minor or adult children, siblings, or other members of your family. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee. While we will discuss your account totals with you and will disclose the fee

breakpoint achieved for your accounts, we must maintain confidentiality on the account totals associated with other members of the household.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either Prairie Rivers Investments 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 in which the cancellation notice was given and billed to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Prairie Rivers Investments will continue management of the account until we are notified and given alternative instructions by an authorized party.

#### Other Types of Fees & Expenses

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You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, wire transfer fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

#### ITEM 5 – Account Requirements & Types of Clients

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We provide investment advice to individuals, high-net-worth individuals, foundations, endowments, employee sponsored retirement plans, charitable organizations, institutions, trusts and estates. Our minimum initial account value is \$100,000; however, we may accept accounts for less than the minimum at our sole discretion.

#### ITEM 6 – Portfolio Manager Selection & Evaluation

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Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house professionals. This creates a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

#### Advisory Business

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See Item 4 for information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our Wrap Portfolio Management service.



Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

#### Participation in Wrap Fee Programs

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We offer wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

#### Performance-Based Fees & Side-By-Side Management

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We do not charge performance fees to our clients.

#### Methods of Analysis, Investment Strategies & Risk of Loss

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##### *Investment Philosophy*

By performing goals based financial planning with each client, Prairie Rivers Investments is able to identify the unique opportunities and dangers facing each investor. Once goals have been identified, Prairie Rivers Investments endeavors to use the most conservative, lowest cost and longest track record investments to meet those goals. Unless client goals dictate otherwise, Prairie Rivers Investments approaches investing with a long term buy and hold approach, with periodic rebalancing to prevent portfolio drift.

Prairie Rivers Investments believes broad diversification and a long-term outlook lead to superior results. Our typical portfolio consists of an actively managed open-ended mutual fund core, and low cost, passively managed index funds and sector ETFs selected to increase diversification and tax efficiency, while decreasing expenses. Per our goals based focus, this portfolio construction methodology allows Prairie Rivers Investments to narrowly tailor each portfolio to the individual investor. Typical strategies include Capital Preservation, Income, Growth and Income, and Capital Appreciation.

##### *Investment Analysis*

Prairie Rivers Investments utilizes multiple independent research providers as well as publicly available information to develop and maintain investment portfolios. A full fiduciary review is applied quarterly to each portfolio, scoring metrics such as internal investment expenses, 1, 3, and 5 year returns, and adherence to stated composition and investment goals. We look for investments with long track records of out-performing peer groups, stability of the management group and investment style, and low fees. Finally, Prairie Rivers Investments assesses on an ongoing basis that each investment is within an investor's risk tolerance.

In constructing a new portfolio, or replacing an existing portion of a portfolio, Prairie Rivers Investments will screen investments in the following ways:

- Overall Asset Class
- Investment Category
- Investment Style
- Manager Tenure
- Prospectus Expense Ratio
- Returns
  - 1, 3, 5, 10 year periods and from Inception
- Returns relative to peer investments and indexes
- Volatility

- Best and Worst Performance
  - 3 Month, 1 and 3 Year Time Periods
- Sector Analysis
- Region Analysis

At Prairie Rivers Investments we employ all these strategies along with our industry experience to build customized portfolios to match your risk tolerance. However, there is no guarantee that our efforts will be successful. General market conditions, prevailing interest rates, performance of an industry, specific company or any number of other factors can affect investment performance. You should be prepared to bear the risk of loss. All investments may lose value including, among other things, loss of principal, loss of earnings, which may include interest, dividends or other distributions, and possible loss of future earnings.

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

Your account is subject to the following risks:

- Stock Market Risk – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- Managed Portfolio Risk – The manager’s investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- Industry Risk – The portfolio’s investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- Non-U.S. Securities Risk – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- Emerging Markets Risk – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- Currency Risk – The value of your portfolio’s investments may fall as a result of changes in exchange rates.
- Interest Rate Risk. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- Credit Risk. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may

purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.

- Inflation Risk. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- ETF and Mutual Fund Risk – Investment in ETF or mutual funds, causes the client to bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.
- Management Risk – Your investment with us varies with the success and failure of our research, analysis and determination of portfolio securities and the investment strategy employed. If the investment strategy does not produce the expected returns, the value of the investment will decrease.
- 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.

#### Voting Client Securities

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We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients can contact our office with questions about a particular proxy solicitation by phone at 618-544-9010.

#### ITEM 7 – Client Information Provided to Portfolio Manager(s)

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

#### ITEM 8 – Client Contact with Portfolio Manager(s)

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Our firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

#### ITEM 9 – Additional Information

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##### Disciplinary Information

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We have determined that our firm and management have no disciplinary information to disclose.

##### Financial Industry Activities & Affiliations

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##### Insurance

IARs of Prairie Rivers Investments may act as agents appointed with various life, disability or other insurance companies, and 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 Prairie Rivers Investments.

### **Broker Dealer**

Certain IARs of Prairie Rivers Investments are registered representatives of Securities Service Network, LLC. ("SSN") a securities broker-dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of Prairie Rivers Investments and these IARs is spent in connection with broker/dealer activities.

As a broker-dealer, SSN engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Prairie Rivers Investments or its IARs, investments in securities may be recommended for clients. If SSN is selected as the broker-dealer, SSN and its registered representatives, including IARs of Prairie Rivers Investments, may receive commissions for executing securities transactions. When IARs of Prairie Rivers Investments receive commissions in connection with the advice given to advisory clients, Prairie Rivers Investments may reduce a portion of its fees by the amount of the commissions earned by Prairie Rivers Investments' IARs.

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

Prairie Rivers Investments may provide advice regarding investment company securities. You should be aware that, in addition to the advisory fees you pay in connection with any Prairie Rivers Investments program, each investment company also pays its own separate investment advisory fees and other expenses. Such fees and expenses are disclosed in the mutual fund's prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of Prairie Rivers Investments.

Moreover, you should note that under the rules and regulations of FINRA, SSN has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require SSN to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than SSN.

Certain IARs of Prairie Rivers Investments may, in their capacity as registered representatives of SSN, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by Prairie Rivers Investments or these IARs in connection with

the advice given to advisory clients, Prairie Rivers Investments may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by Prairie Rivers Investments or these IARs. However, clients should note that they are under no obligation to purchase any investment products through Prairie Rivers Investments or its IARs.

Clients should be aware that the ability to receive additional compensation by Prairie Rivers Investments and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Prairie Rivers Investments endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees or Related Companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees or Related Companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and

- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### Brokerage Practices

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We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services that include custody of securities, trade execution, clearance and settlement of transactions.

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

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the

value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

#### Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

#### Review of Accounts

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by each Investment Adviser Representative in addition to the Chief Compliance Officer or his designee. We offer the ability to meet with our clients on an annual basis to review their account. This review is usually conducted in person or by telephone. The number of accounts assigned depends on which IAR has the personal relationship with the client.

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,

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

You will receive quarterly statements and confirmation of transactions from the custodian.

#### Client Referrals & Other Compensation

Prairie Rivers Investments does not pay referral fees or receive compensation for referrals.

Prairie Rivers Investments refers clients to a Third Party Manager and will be paid an on-going fee by the Manager based upon a percentage of your assets under management with respect to each Manager. You will receive disclosure of all fees paid to Prairie Rivers Investments by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM. Prairie Rivers Investments negotiates its solicitor fee with each Manager.

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

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are



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

#### Soft Dollars

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Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

#### Directed Brokerage

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We generally recommend that clients utilize the custody, brokerage and clearing services of TD Ameritrade for investment management accounts. Each client will be required to establish their account(s) with these custodians if not already done. Please note that not all advisers have this requirement.

#### Financial Information

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We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities, except for our authorization to directly deduct fees as disclosed in item 4.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.