

SEBASTIAN ADVISORS, INC.

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Sebastian Advisors, Inc. (hereinafter “Sebastian Advisors” 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

In this Item, Sebastian Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose.

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Item 4. Advisory Business

Sebastian Advisors offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Sebastian Advisors rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Sebastian Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Sebastian Advisors filed for registration as an investment adviser in January 2018 and is wholly owned by Interim Holdings, LLC who is filing on behalf of an individual listed in Part 1 of the Form ADV in response to Item 10. As of the date of this filing, Sebastian Advisors does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

While this brochure generally describes the business of Sebastian Advisors, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Sebastian Advisors’s behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

Sebastian Advisors offers clients a broad range of financial planning and consulting services that can be delivered both virtually and in-person. These services may include the delivery of a written and or an electronic report or summary of recommendations based on the type of planning or consulting services elected.

In general, a comprehensive or modular financial plan will address one or more of the following areas of concern. The client and financial planner will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

Business Planning: Sebastian Advisors provides consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, Sebastian Advisors works with the client to assess his or her current situation, identify objectives, and develop a plan aimed at achieving goals.

Cash Flow and Debt Management: Sebastian Advisors will review a client’s current debt obligations which can include student loans, credit card debt, personal loans, mortgages and other debt and provide guidance and creative strategies on reducing and/or eliminating debt including which debts to pay off first based on factors such as the interest rate of the debt, credit score, and income tax ramifications if any.

College Savings: Sebastian Advisors provides consulting services that include projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for clients to save the desired amount. Recommendations as to savings strategies are included, and, if needed, the Firm will review the client's financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

Employee Benefits Optimization: Sebastian Advisors will provide review and analysis as to whether the client, as an employee, is taking the maximum advantage possible of his or her employee benefits. If the client is a business owner, the Firm will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

Financial Goals: Sebastian Advisors will help clients identify financial goals and develop a plan to reach them. The Firm will identify what a client plans to accomplish, what resources will be needed to make it happen, how much time will be needed to reach the goal, and how much should be budgeted for the goal.

Investment/Portfolio Analysis: This may involve an investment portfolio analysis of a client's existing investment accounts, including IRA's, 401(k)s and other individual or employer-sponsored retirement plan accounts and then recommending, as appropriate any adjustments to the portfolio's current investment options and/or asset allocation based on a client stated investment objective, risk tolerance and investment time horizon. This may also include a discussion on alternative investment vehicles and strategies. The strategies and types of investments the Firm may recommend are further discussed in Item 8 of this brochure.

Retirement Planning: Sebastian Advisors's retirement planning services typically include projections of a client's likelihood of achieving a preferred retirement date and lifestyle. For situations where projections show less than the desired results, the Firm may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, adjusting current investment strategy). If the client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during retirement years.

Social Security Claiming Strategies Review: Sebastian Advisors's claiming strategies review can help clients better understand what benefits they are eligible for, the claiming options available to them, and the right time and manner to file that maximizes the client's Social Security income and best fits their needs. The review will also provide guidance on coordinating a claiming strategy with a spouse, if applicable, and any other retirement income and resources the client may have, in order to maximize the client's social security retirement income benefits.

Risk Management: A risk management review includes an analysis of a client's exposure to major risks that could have a significant adverse impact on the financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning and will include an analysis of the client's current coverage/insurance policies in each of these areas, as applicable. Advice may be provided

on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

Estate Planning: Whether a client’s goal is to leave a legacy behind for family, or favorite charity, provide for a family member with special needs, protect assets, or successfully transfer the family business to the next generation, Sebastian Advisors approaches a client’s wealth transfer and estate planning needs with creativity, sophistication, and care. Estate planning is a process that includes making choices about how the estate and personal affairs will be administered in the event of the client’s death or disability. It also involves deciding how and to whom the client would like assets distributed to, while also incorporating strategies to minimize the impact of income taxes, estate taxes and other estate settlement costs on the value of the estate. As part of an estate planning review, Sebastian Advisors will provide analysis of a client’s existing estate planning strategies and documents which may include whether the client has an up-to-date will, durable power of attorney, health care proxy (living will), trusts or other related documents. In addition, the Firm may discuss the guardianship of minor children and a variety of other related issues. Sebastian Advisors will also work with the client and their attorney if desired to be certain estate planning documents reflect and are properly integrated with their overall planning objectives and financial plans.

Tax Planning Strategies: Advice may include ways to minimize current and future income taxes as a part of a client’s overall financial planning picture. For example, the Firm may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact the client’s situation. Sebastian Advisors recommends that clients consult with a qualified tax professional before initiating any tax planning strategy, and the Firm may provide clients with contact information for accountants or attorneys who specialize in this. Sebastian Advisors will participate in meetings or phone calls between clients and their tax professional with client approval.

Career Transitioning: Sebastian Advisors also provides coaching on career transitioning, including relevant recommendations on cash set aside, income/expense adjustments, and other related strategies to achieve career goals and impact on the financial plan.

Divorce Financial Analysis: If a client is contemplating, or are currently in the midst of divorce proceedings, Sebastian Advisors can help the client better understand the financial implications, help the client make smart divorce settlement decisions, and develop workable financial scenarios for life after a divorce. The Firm’s service includes preparation of a detailed Divorce Financial Analysis to identify potential financial outcomes of proposed divorce settlement options, as well as, in-depth collaboration with the client and his or her attorney to help empower the client to make the best financial decisions during the process. These services are provided by one of the Firm’s Certified Divorce Financial Analysts (CDFA).

Depending on a client’s specific planning needs and preferences, Sebastian Advisors’s Financial Planning and Consulting Services can be accessed in a variety of ways including:

Comprehensive Financial Planning

This service provides a holistic review and guidance regarding a client's complete financial life and can include lifestyle and career goals, credit report review, income tax analysis, estate planning strategies, insurance coverage review, budgeting and debt management, retirement planning, cash flow and savings goals and an employee benefits review.

Advice-On-Demand

This service is intended for those seeking financial guidance in a particular area as opposed to a more comprehensive financial plan. Types of advice offered include 401(k) investment option guidance, improving credit score, student loan debt, creating a workable budget, social security claiming options, navigating a life change, estate planning review, insurance coverage review, and other financial planning and investment-related topics.

Ongoing Financial Guidance/Coaching

This service is designed for those serious about making smarter financial decisions and designing the life that they want and includes ongoing assistance and coaching in various aspects of their financial lives. This service is offered on a monthly retainer basis both as a standalone service or as part of the implementation process after a client has completed a comprehensive or modular financial plan.

Ongoing financial guidance provides clients ongoing access to one of Sebastian Advisors's financial planners by phone, email and screen sharing meetings such as skype or join.me. The services includes advice and guidance on a range of financial and life issues, in addition to plan implementation, that may come up throughout the client's life including, should I purchase or lease my next car, getting married, divorced, death of a spouse, claiming social security, a family member entering a nursing facility, a career change, loss of job, starting a business, an unexpected windfall, investing and tax questions, building and improving credit, insurance questions and other financial and investing decisions that may need to be made.

Other Financial Planning and Consulting Services:

Bitcoin and Digital Currency Consulting

Sebastian Advisors offers expert knowledge and grassroots experience in the world of digital currency investing. Sebastian Advisors offers fee-based personal consultations, and educational training programs on digital currency basics, including understanding blockchain, ICO's, and crypto-currencies in general, and how to buy, sell, safely store and evaluate the myriad of digital currencies and tokens in the marketplace. Sebastian Advisors also helps clients evaluate the pros and cons, and better understand and quantify, the above average risks of investing in digital currencies. No recommendations, however, will be made regarding the purchase or sale of any specific digital currency, coin, token or ICO as part of this service.

Financial Educational Workshops, Webinars, and Speaking Engagements

Sebastian Advisors offers periodic financial education sessions for those desiring general advice on personal finance and investing. Topics may include issues related to financial planning, retirement planning, social security retirement income, estate planning, digital currencies, small business planning, the financial implications of marriage or divorce, and various other economic, financial and investment topics.

Sebastian Advisors's financial education programs may be offered live in the Firm's office, on Facebook Live or other social media, at a group, club or organization's location, or pre-recorded for viewing remotely as a standalone educational course or as part of series focused on a particular topic or planning area.

All of Sebastian Advisors's educational programs are generic in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need nor does the Firm provide individualized investment advice to attendees as part of the educational program.

A number of Sebastian Advisors Supervised Persons (as defined in Form ADV) are also public speakers on a wide range of financial, investment and economic related topics. Depending on the topic, location and audience being served, fees can range from pro-bono, a per-participant fee, or a flat fee, plus expenses.

Sebastian Advisors Reliance on Client Information

In performing these services, Sebastian Advisors is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Sebastian Advisors recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Sebastian Advisors or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Sebastian Advisors under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Sebastian Advisors's recommendations and/or services.

Investment Management Services

Sebastian Advisors manages client investment portfolios on a discretionary basis. Sebastian Advisors primarily allocates client assets among various individual debt and equity securities, exchange-traded funds ("ETFs") and to a lesser extent, mutual funds, in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Clients can engage Sebastian Advisors to manage and/or 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 (i.e., 401(k) plans) and qualified tuition plans (i.e., 529 plans). In

these situations, Sebastian Advisors directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Sebastian Advisors 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. Sebastian Advisors 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 Sebastian Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Sebastian Advisors 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.

Institutional Intelligent PortfoliosTM

Sebastian Advisors provides portfolio management services through Institutional Intelligent PortfoliosTM, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA," respectively). Through the Program, Sebastian Advisors offers clients a range of investment strategies that the Firm constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct the Firm to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. The Firm is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, Schwab or their affiliates (together, "Schwab"). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent PortfoliosTM Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process. The minimum investment required to open an account in the Program is \$5,000.

Sebastian Advisors, and not Schwab, is the client's investment adviser and primary point of contact with respect to the Program. Sebastian Advisors is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that its operations are as described in the Program Disclosure Brochure.

Sebastian Advisors has contracted with SWIA to provide the technology platform and related trading and account management services for the Program. This platform enables Sebastian Advisors to make the Program available to clients online and includes a system that automates certain key parts of the investment process (the "System"). The System includes an online questionnaire that helps Sebastian Advisors determine client investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that Sebastian Advisors will recommend a portfolio via the System in

response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but Sebastian Advisors will make the final decision and select a portfolio based on all the information made available about the client. The System also includes an automated investment engine through which our firm manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Item 5. Fees and Compensation

Sebastian Advisors offers services on a fee basis, which includes fixed and/or hourly fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

Sebastian Advisors charges a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement.

Comprehensive Financial Planning

Comprehensive Financial Planning fees are based on the scope, complexity and professional rendering the financial planning services, but typically the negotiable fees range from \$100 - \$350 on an hourly basis, or \$749 - \$25,000 on a fixed fee basis. The financial planner will work with the client to determine the most optimal way to pay for any services requested.

Advice-On-Demand

Advice-On-Demand financial planning and consulting fees are based on the scope, complexity and professional rendering the financial planning or consulting services, but typically the fees range from \$100 - \$350 on an hourly basis, billed in 15 minute increments, or \$99 - \$749 on a fixed fee basis. Advice-On-Demand Fees are non-negotiable.

Ongoing Financial Guidance/Coaching

Ongoing financial guidance/coaching services are provided under a monthly subscription/retainer agreement. Fees for this service range from \$49 to \$249 per month based on the scope and complexity of the ongoing services being provided.

Bitcoin and Digital Currency Consulting

Consulting services are provided as part of our Advice-On-Demand financial planning and consulting program, with non-negotiable flat fees ranging from \$99 - \$249 based on the scope of the consulting services offered.

Financial Education Workshops, Webinars and Speaking Engagements

Individual workshops and webinars, including multi-session financial education courses and programs, may be offered free of charge, or with fees ranging from \$25 - \$1,499 per attendee. Fees for in-person workshops and speaking engagements for groups, clubs and organizations may occasionally be provided for free, or with fees ranging from \$749 - \$25,000, plus expenses, depending on the topic, number of attendees and presenter.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Sebastian Advisors requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Investment Management Fees

Sebastian Advisors offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies in accordance with the following fee schedules:

Fixed Income Portfolios

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
Up to \$250,000	1.00%
\$250,001 - \$500,000	0.95%
\$500,001 - \$750,000	0.90%
\$750,001 - \$1,000,000	0.85%
\$1,000,001 - \$2,000,000	0.80%
\$2,000,001 - \$5,000,000	0.70%
Above \$5,000,000	0.65%

Equity Portfolios

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
Up to \$250,000	1.40%
\$250,001 - \$500,000	1.30%
\$500,001 - \$750,000	1.20%
\$750,001 - \$1,000,000	1.10%

\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.90%
Above \$5,000,000	0.80%

Automated Investment Portfolios – Institutional Intelligent Portfolios™

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
Up to \$25,000	0.50%
\$25,001 - \$50,000	0.45%
\$50,001 - \$100,000	0.40%
Above \$100,000	0.35%

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Sebastian Advisors on the last day of the previous billing quarter. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement 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.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Sebastian Advisors may negotiate a fee rate that differs from the range set forth above.

Fee Discretion

Sebastian Advisors may, in its sole discretion, negotiate to charge a lesser 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.

Additional Fees and Expenses

In addition to the advisory fees paid to Sebastian Advisors, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other

fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients provide Sebastian Advisors 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 Sebastian Advisors.

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to Sebastian Advisors's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Sebastian Advisors, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Sebastian Advisors 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.

Commissions and Sales Charges for Recommendations of Securities

The Firm anticipates that shortly after beginning business, clients can engage certain persons associated with Sebastian Advisors (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Sebastian Advisors.

Under this future arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Triad Advisors, LLC ("Triad"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons will be entitled to a portion of the brokerage commissions paid to Triad, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Sebastian Advisors 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 account agreement with Triad.

A conflict of interest exists to the extent that Sebastian Advisors 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. The Firm has procedures in place to ensure that any recommendations

made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that Sebastian Advisors, in its sole discretion, deems appropriate, Sebastian Advisors provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, Sebastian Advisors offsets 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 Triad.

Item 6. Performance-Based Fees and Side-by-Side Management

Sebastian Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

Item 7. Types of Clients

Sebastian Advisors offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Institutional Intelligent Portfolios™ clients: Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is \$5,000. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and taxloss harvesting.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Sebastian Advisors understands that investing in securities involves risk of loss that clients should be prepared to bear. At the same time, the Firm utilizes methods of security analysis which are attentive to risk factors that may impact the value of a security.

Research information is generated both internally and obtained from external sources. Sebastian Advisors carefully studies this information and evaluates it based on numerous quantitative and qualitative considerations. The Firm’s Chief Investment Officer who chairs the Firm’s Investment Committee (“IC”) manages the research and analysis function.

Below is a partial listing of external research sources Sebastian Advisors may utilize:

- Prospectuses and filings with the Securities and Exchange Commission including annual reports, 10K's and 10Qs
- Corporate rating services
- Research materials prepared by others
- Company earnings announcements, news releases, and websites
- Financial newspapers, news and media organizations, magazines, and industry publications
- Analyst conference calls
- Government and economic reports

Sebastian Advisors utilizes a combination of fundamental and cyclical analysis, supplemented to a lesser degree with technical analysis techniques. Subsequent to a comprehensive research and analysis process, securities are presented to the Investment Committee ("IC"), which meets as often as necessary. During these meetings, securities are subjected to further examination. The IC meetings include detailed discussions and presentations related to current economic, political, sector, industry and company-specific issues. The IC determines the securities considered appropriate for inclusion in the Firm's model portfolios.

Following is a description of fundamental, cyclical and technical security analysis along with Sebastian Advisors's process for screening and choosing mutual funds and ETF's that the Firm may at times choose to add to its model portfolios for strategic reasons as noted further below.

Fundamental Analysis

Sebastian Advisors employs a comprehensive, fundamental approach to security analysis. Fundamental analysis involves a bottom-up assessment of a company's potential for success in light of many factors including its financial condition, earnings outlook, strategy, management, industry position, and economic and market conditions. A decision to buy, sell, or hold a particular security in a client's portfolio is directly influenced by the Firm's expectations of how fundamental factors are anticipated to impact long-term valuation. Under this approach, Sebastian Advisors routinely examines a company's financial statements and concurrently considers the impact that prevailing economic, political, and industry circumstances may have on its future value. After researching and analyzing relevant fundamental information, the Firm develops a judgment of a security's investment potential. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Cyclical Analysis

This method of analysis looks at a securities sensitivity to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the energy, steel and housing industries. The goal is to purchase securities in those companies expected to benefit from the current or evolving economic environment, and potentially sell

securities in industries or sectors that may, in turn, fall out of favor during the same stage of the business cycle.

A substantial risk in relying upon Cyclical Analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Sebastian Advisors will be able to accurately predict such reoccurrence.

Technical Analysis

Technical analysis involves the examination of past market data rather than specific issuer information in helping to determine whether to purchase or sell a security. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages, market trading volumes, price levels, and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The risks of technical analysis are similar to those of cyclical analysis.

Mutual Fund and ETF Analysis

Sebastian Advisors looks at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm also reviews and analyzes the underlying assets in a mutual fund or ETF in an attempt to determine if there is a significant overlap in the underlying investments already held within the Firm's portfolios. Sebastian Advisors also monitors the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

Institutional Intelligent PortfoliosTM

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

Investment Strategies

General Strategy

Sebastian Advisors is predominately an active investment manager. Active money management is the use of a human element to actively manage a portfolio. It is a strategy that does not follow the efficient market hypothesis but believes it is possible to profit from the stock market through any number of strategies that aim to identify mispriced securities. Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions on what securities to buy, hold and sell. The opposite of active management is called passive management, better known as "indexing."

The objective of active management is to produce better returns than those of passively managed index funds. This strategy attempts to anticipate market movements, which may entail being defensive and holding higher levels of cash or other safe haven securities if a weaker market is anticipated. In contrast, an attempt would be made to become more opportunistic if a stronger market is anticipated. An actively managed portfolio may not attempt to be diversified, but rather may focus on areas of the market that price appreciation is anticipated while attempting to avoid weaker areas of the market.

Sebastian Advisors generally utilizes a core-satellite approach to managing assets which involves developing long term strategic asset allocations and making tactical adjustments to them based on the Firm's capital market expectations. These expectations are derived from historical market data and fundamental, quantitative and economic analysis. These strategic allocations and tactical adjustments determine the combined allocations to the various asset classes and specific securities in the core and satellite portions of the portfolio.

In implementing the core equity portion of a portfolio, Sebastian Advisors generally utilizes common stocks of large, domestic and international companies who have consistently raised their dividend over an extended period of time, and whose stock price has demonstrated a low correlation to the overall market throughout a complete economic cycle. Core holdings are meant to be held long-term, and as such help reduce client's overall portfolio management expenses. Generally clients with lower risk tolerance levels and/or shorter investment time horizons will have a larger percentage of the equity portion of their portfolios invested in core versus satellite holdings.

The satellite equity portion of the portfolio may be invested in both dividend and non-dividend paying common stocks, and to a lesser extent ETFs, depending on the underlying investment strategy of the portfolio. Satellite holdings are more strategic and are traded more frequently than core holdings to take advantage of economic cycles, or company and industry-specific trends and are designed to potentially boost the overall returns of a client's portfolio. This is referred to as Tactical Asset Allocation. Satellite holdings tend to be more volatile than core holdings, and although they are meant to be held on average for 1-5 years, they may be held for less than a year based on overall market or company specific conditions.

Sebastian Advisors uses a dynamic and disciplined investment approach in selecting individual equity and fixed income securities. This approach allows for greater flexibility, greater tax efficiencies, and lower expenses. With limited exceptions, mainly in the bond or fixed income category, Sebastian Advisors does not utilize mutual funds thereby avoiding inefficiencies and additional layers of fees.

Sebastian Advisors's security selection process seeks to maximize growth while remaining within the risk tolerance level of each client. Capital preservation, however, is also an important consideration of the Firm's investment philosophy. Sebastian Advisors believes it is inappropriate to take an unwarranted risk in either portfolio structure or individual securities.

As appropriate, Sebastian Advisors will invest in public companies that are expected to benefit from movements in commodity prices without exposing a portfolio to the volatility of derivatives that is inherent in futures and options contracts. The Firm also invests in real estate via publicly traded real estate

investment trusts (“REITs”), if appropriate. Sebastian Advisors believes these non-traditional asset classes further diversify the portfolio and reduce risk. In both cases, the Firm selects liquid investments.

Concentrated Portfolios

For more risk-tolerant clients, with long-term investment time horizons, Sebastian Advisors may from time-to-time choose to hold concentrated positions in certain securities with the Firm’s aggressive growth portfolios, to attempt to capitalize on market or company specific opportunities Sebastian Advisors feels are favorable. As concentrated portfolios hold fewer different securities than a more diversified portfolio, they are much more likely to experience sudden dramatic price swings both positive and negative. In addition, the rise or drop in the price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

Client Investment Portfolio Selection

The investment strategy for a particular client is based on the objectives stated by the client during consultations. Linking a client’s financial and lifestyle objectives to their investment strategy is at the core of Sebastian Advisors’s overall investment management philosophy. As such, the Firm begins the investment process by carefully listening to the client and gaining a thorough understanding of the client’s goals, lifestyle objective’s, risk tolerance, time horizon, and other circumstances. Sebastian Advisors then determines an appropriate investment strategy for the client based on that understanding. For most clients, this would be memorialized in an investment policy statement. Further customization of a client’s overall investment strategy takes into consideration individual client preferences such as social investing, concentrated positions, existing holdings, taxes, and other considerations.

Sebastian Advisors then matches the client’s investment objectives with one or more of the Firm’s model portfolios. The investment strategy provides a framework for determining the asset allocation that properly balances risk and reward over a long-term time horizon. Asset allocation is the relative mix of cash, fixed income, and equity securities suitable for a client’s investment portfolio. Although strategies can be changed if necessary, adhering to the asset allocation over the pre-determine time horizon seeks to provide enhanced portfolio returns with reduced volatility.

Description of Principal Security Types

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy of the issuer. Equity securities include common stocks, preferred stocks, REIT units, convertible securities, and warrants. Equity investments in client portfolios are substantially in common stocks.

Fixed income (debt) securities are used by issuers to borrow money. The issuer usually pays a fixed, variable, or floating rate of interest, and must repay the amount borrowed, usually at the maturity of the security. Some debt securities, such as zero coupon bonds, do not pay current interest but are sold at a

discount from their face values. Fixed income securities include corporate bonds, government securities, agency securities, and mortgage and other asset-backed securities.

Equity – Principal Investment Strategy

Client assets allocated to equities are primarily invested in a diversified portfolio of publicly-traded common stocks. Sebastian Advisors primarily invests in U.S. domestic companies and achieves international and global diversification through either direct investment in foreign-based companies or by investing in U.S. corporations with an international scope. The Firm also invests in publicly-traded REITs, and strategically utilize select exchange-traded funds (ETFs) to gain broader sector exposure as warranted.

Investments in equity portfolios are intended to be long-term with an emphasis on total return, which includes capital appreciation and dividend income. Sebastian Advisors is not constrained by any particular investment style. This means the Firm can invest in large, mid, or small-cap stocks having value, blend, or growth qualities. However, the Firm generally invests a majority of equity assets in large-cap stocks.

Fixed Income - Principal Investment Strategy

Client assets allocated to fixed income securities are primarily invested in a diversified portfolio of publicly-traded corporate bonds, government securities, agency securities and municipal bonds. Fixed income investments are managed to generate income as well as add stability to client's portfolios with the key focus being on safety. A substantial majority of fixed income investments are in domestic corporate securities rated investment-grade or better at the time of purchase by Standard and Poor's or Moody's. Investment grade securities include all types of fixed income debt instruments that are considered to be of medium or higher quality. Diversification is enhanced by investing in a variety of issuers, in different sectors, and in different industries. To lessen the impact of changing interest rates and inflation, portfolios are comprised of holdings having assorted maturity dates usually ranging from 1 to 10 years. Sebastian Advisors plans to hold bonds until maturity, which results in lower turnover and costs to clients and a more predictable income stream. Sebastian Advisors continually monitors its fixed income holdings, interest rates, and market conditions for circumstances which may require an action prior to a bond's maturity.

In addition to individual fixed income securities, Sebastian Advisors may use low-cost, fixed income mutual funds or ETFs to gain broader exposure and diversification in the fixed income marketplace, including, but not limited to, foreign or emerging markets bond mutual funds or ETFs

Risk of Loss

Sebastian Advisors believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. Security markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. When securities are sold they may be worth more or less than what they were purchased for, which means that clients could lose money.

In the normal course of managing client equity and fixed income portfolios, Sebastian Advisors does not:

- Buy or sell futures or options contracts;
- Conduct short-selling trading activities;
- Utilize market timing strategies;
- Directly own commodities, precious metals or natural resources; or
- use any leveraging methods.

Many factors affect portfolio performance. Portfolio values change daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. A portfolio's reaction to these events will be influenced by the types of securities it holds, the issuers underlying financial condition, industry and economic sector matters along with the geographic location of an issuer, and the relative level of an investment in the securities. The following factors can significantly affect a portfolio's performance.

Market Volatility

The value of equity and fixed income securities fluctuate in response to issuer, political, market, and economic developments. Fluctuations can be acute over the short as well as the long term. Several parts of the market and different types of securities can react differently to these developments. For example, large-cap stocks can react differently from small-cap stocks, and "growth" stocks can react differently from "value" stocks. Events can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. The financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Interest Rate Changes

Fixed income (debt) securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes.

Foreign Exposure

Foreign securities, foreign currencies, and securities issued by U.S. entities with a substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those of emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Issuer-Specific Change

Changes in the financial condition of an issuer, an issuer reducing or suspending its dividend payments, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer, which can affect a security's or instrument's credit quality or value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Lower-quality debt securities (those of less than investment-grade quality) and certain types of other securities tend to be particularly sensitive to these changes.

Research Data

When research and analysis are based on commercially available software, rating services, general market and financial information, or due diligence reviews, Sebastian Advisors is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While Sebastian Advisors makes every effort to determine the accuracy of the information received, the Firm cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of a client's portfolio.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes (Non-Qualified Accounts) on any fund-level capital gains, as mutual funds and ETF's 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 mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

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.

Management Risk

Sebastian Advisors's investment decisions including its strategic and tactical allocation assumptions, including cash balances, may be incorrect, and as a result, may cause the underperformance of a client's portfolio relative to other similar investment alternatives.

The risk factors cited here are not intended to be an exhaustive list but are the most common risks client portfolios will encounter. Other risks that could impact a portfolios performance include but are not limited to, currency risks, liquidity risk, credit and financing risks, call or prepayment risks for certain bonds, and commodity price risks.

Item 9. Disciplinary Information

Sebastian Advisors 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.

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

Registered Representatives of a Broker-Dealer

As described above, the Firm anticipates that certain of the Firm's Supervised Persons will be registered representatives of Triad and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Licensed Insurance Agency

The Firm intends to have Sebastian Advisors registered as a licensed insurance brokerage agency. Additionally, a number of the Firm's Supervised Persons will be licensed insurance brokers and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Sebastian Advisors recommends the purchase of insurance products where its Supervised Persons are 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.

Item 11. Code of Ethics

Sebastian Advisors 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. Sebastian Advisors’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 Sebastian Advisors’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. This 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 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 Sebastian Advisors to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

How Brokers/Custodians Are Selected: Sebastian Advisors seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared

to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist in making investment decisions quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider • prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see “Products & Services Available from Schwab”)

Custody & Brokerage Costs

Schwab generally does not charge a separate fee for custody services, but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. For some accounts, Schwab may charge clients' accounts a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to client accounts were negotiated based on Sebastian Advisors's commitment to maintain a minimum threshold of assets statement equity in accounts at Schwab. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower than they would be if the Firm had not made the commitment.

Products & Services Available from Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like the Firm. They provide Sebastian Advisors and clients, both those enrolled and not enrolled in the Program, with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow the Firm's business. Schwab's support services are generally available on an unsolicited basis (the Firm does not have to request them) and at no charge to the Firm. The availability of Schwab's products and services is not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of Schwab's support services:

Services that Benefit Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Services that May Not Directly Benefit Clients

Schwab also makes available other products and services that benefit the Firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of advisory fees from clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only the Firm

Schwab also offers other services intended to help manage and further develop the Firm's business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide the Firm with other benefits, such as occasional business entertainment for Firm personnel.

Irrespective of direct or indirect benefits to our client through Schwab, the Firm strives to enhance the client experience, help clients reach their goals and put client interests before that of the Firm or associated persons.

The Firm's Interest in Schwab's Services

The availability of these services from Schwab benefits Sebastian Advisors because the Firm does not have to produce or purchase them. In addition, the Firm receives funds to be used toward qualifying third-party

service providers for marketing, technology, consulting or research expenses. The initial funds are available regardless of assets held at Schwab. Subsequent funds are available only upon assets being transferred to Schwab over a 12 month period at \$65 million, \$100 million and \$125 million asset thresholds.

With respect to the Program, Sebastian Advisors does not pay SWIA fees for its services in the Program so long as Sebastian Advisors maintains \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If Sebastian Advisors does not meet this condition, then Sebastian Advisors will pay SWIA an annual fee of 0.10% (10 basis points) on the value of Firm client assets in the Program. This fee arrangement gives Sebastian Advisors an incentive to recommend or require that clients with accounts not enrolled in the Program be maintained with Schwab.

In light of the arrangements with Schwab, a conflict of interest exists as Sebastian Advisors may have incentive to require that clients maintain their accounts with Schwab based on Sebastian Advisors's interest in receiving Schwab's services that benefit Sebastian Advisors rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. As part of the Firm's fiduciary duty to clients, Sebastian Advisors will endeavor at all times to put the interests of clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons creates a potential conflict of interest and may indirectly influence Sebastian Advisors's choice of Schwab as a custodial recommendation. Sebastian Advisors examined this potential conflict of interest when the Firm chose to recommend Schwab and has determined that the recommendation is in the best interest of the Firm's clients and satisfies its fiduciary obligations, including the duty to seek best execution.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although Sebastian Advisors will seek competitive rates, to the benefit of all clients, Sebastian Advisors may not necessarily obtain the lowest possible commission rates for specific client account transactions. Sebastian Advisors believes that the selection of Schwab as a custodian and broker is the best interest of clients. It is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that only benefit Sebastian Advisors.

Schwab does not make client brokerage commissions generated by client transactions available for the Firm's use. The Firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

Directed Brokerage for the Program

In addition to Sebastian Advisors's portfolio management and other services, the Program includes the brokerage services of Schwab. While clients are required to use Schwab as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with Schwab by entering into an account agreement directly with Schwab. Sebastian Advisors does not open the account for the client. If the client does not wish to place his or her assets with Schwab, then Sebastian Advisors cannot manage the

client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for Sebastian Advisors's clients and accounts for clients of other independent investment advisory firms using the Program.

Benefits Received from Triad Advisors, LLC

Triad will provide certain assistance for the Firm to transition business as an independent investment adviser. The assistance will include support with paperwork, software licenses, recruiting and transition assistance, business guidance, and attendance at Triad's national conference. In addition, Triad will provide a forgivable loan(s) to the Firm or its Supervised Persons. The loan will be made to cover various miscellaneous expenses involved in transitioning business to the Firm as investment adviser. The loan payment repayable by the Firm will be forgiven over sixty (60) months. 1/5th of the loan will be forgiven after each twelve (12) month period.

The forgiveness will not be tied to any amount of securities transactions made by Supervised Persons with Triad or assets held in advisory accounts with Triad or any other custodian, but does require certain of the Firm's Supervised Persons to maintain registration with Triad. The receipt of such benefits by the Firm creates conflicts of interest relating to Sebastian Advisors's advisory business because it creates a financial incentive for the Firm to utilize Triad for brokerage accounts. Sebastian Advisors seeks to mitigate these conflicts of interest by evaluating Triad's services to determine that the recommendation to use Triad is based on the benefits that such services provide to clients, rather than the benefits received by the Firm. However, clients should be aware of this conflict and take it into consideration in making a decision whether to engage the Firm or any of its Supervised Persons as registered representatives of Triad.

Brokerage for Client Referrals

Sebastian Advisors does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct Sebastian Advisors 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 Sebastian Advisors (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, Sebastian Advisors 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 (as further discussed below).

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain Supervised Persons in their respective individual capacities will be registered representatives of Triad. These Supervised Persons will be subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Triad provides written consent. Therefore, clients are advised that certain Supervised Persons are restricted to conducting securities transactions through Triad if they have not secured written consent from Triad to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Triad, these Supervised Persons will be prohibited from executing securities transactions through any broker-dealer other than Triad under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Trade Aggregation

Transactions for each client will be effected independently, unless Sebastian Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Sebastian Advisors may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Sebastian Advisors’s 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 Sebastian Advisors’s Supervised Persons may invest, the Firm 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. Sebastian Advisors 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 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.

Item 13. Review of Accounts

Account Reviews

Sebastian Advisors monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Chief Investment Officer. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Sebastian Advisors 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 Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Sebastian Advisors 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 Sebastian Advisors or an outside service provider.

Item 14. Client Referrals and Other Compensation

The Firm does not currently provide compensation to any third-party solicitors for client referrals. The Firm receives benefits for providing services to clients from Schwab and Triad as described in Item 12.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Sebastian Advisors to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. 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 Sebastian Advisors.

In addition, as discussed in Item 13, Sebastian Advisors will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Sebastian Advisors.

Item 16. Investment Discretion

Sebastian Advisors is given the authority to exercise discretion on behalf of clients. Sebastian Advisors is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Sebastian Advisors is given this authority through a power-of-attorney included in the agreement between Sebastian Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Sebastian Advisors takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

Sebastian Advisors 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.

Item 18. Financial Information

Sebastian Advisors 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.