

# **WRAP FEE PROGRAM BROCHURE**

Appendix to Part 2A of  
Form ADV

**August 13, 2020**

## **TNF LLC dba True North Financial**

**#CRD 309126**

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**This wrap fee program brochure provides information about the qualifications and business practice of TNF LLC dba True North Financial (“True North”). If you have any questions about the contents of this brochure, please contact us at (406) 294-5000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state security authority.**

**Additional information about True North is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**True North is a registered investment adviser with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of True North provide you with information which you can use to determine to hire or retain True North.**

## **ITEM 2: MATERIAL CHANGES**

TNF LLC dba True North Financial (“True North” or the “Firm”) is a newly-registered investment adviser. As such, no material changes are noted here. Our prospective clients are strongly encouraged to read this Wrap Fee Brochure in its entirety prior to engaging True North for any advisory services.

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Pursuant to State and SEC Rules, True North will ensure that clients receive a summary of any materials changes to this Wrap Fee Brochure within 120 days of the close of True North’s fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please contact us at (406) 294-5000.

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## **ITEM 4: SERVICES, FEES AND COMPENSATION**

### **A. Services under the Wrap Fee Program**

The True North Wrap Fee Program is an advisory program (the “Program”) sponsored by TNF LLC dba True North Financial (“True North” or “the Firm”). True North is registered as an investment adviser with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended, and is a Montana limited liability company.

The Program is a “wrap fee” program which provides wrap program clients with investment management, brokerage execution services, along with account reporting and custodial services, for one all-inclusive annual fee. True North serves as the Program’s sponsor and investment manager and utilizes TD Ameritrade, Inc. (“TDA”), a registered broker-dealer and member of SIPC, to provide custodian and brokerage services.

Under the Program, True North generally provides investment management services on a discretionary basis. For discretionary services, True North has the authority to act regarding investment and trading decisions in the client’s account(s) without first contacting the client. However, should a client request, True North will provide investment management services on a non-discretionary basis. This means that True North will discuss all investment recommendations with the client and obtain approval prior to placing any transaction in the account.

True North directly manages each client’s account(s) pursuant to the Investment Management Agreement entered into with True North, and each client’s overall financial and investment goals and objectives. At account opening, clients provide the Firm with information, such as: age, financial condition, employment status, investment objectives, risk tolerance, time horizon, and any reasonable investment restrictions. Based on this information, , the Firm will tailor a portfolio utilizing stocks, bonds, mutual funds, and/or exchange-traded funds that targets the client’s investment needs and goals. Because some types of investments involve varying degrees of risk, investments will only be implemented/recommended when believed suitable and consistent with the client's stated investment objectives.

Investments made are based on the client’s financial situation at the time the services are provided, as disclosed by the client.

If the client experiences any changes to their financial or personal circumstances, it is the client’s responsibility to timely notify the Firm so that such information can be used in managing the client’s portfolio. In addition, True North does not assume any responsibility for the accuracy of the information provided by clients. Clients are advised that certain assumptions can be made with respect to interest and inflation rates and past trends and performance of the market and economy. Past performance is in no way an indication of future performance. True North’s adviser representatives are available at any time to consult with Program clients, and they will periodically (at least annually) contact Program clients to discuss whether there have been any changes to a client’s overall financial situation or investment objectives.

## B. Fees

True North's Program fee is based upon a percentage of assets under management (including cash and cash equivalents) using an average daily balance method, calculated, and assessed and billed monthly, in advance. The average daily balance for each account is determined by calculating the total dollar value for every calendar day during the previous quarter. All account balances for the previous month are then added together and divided by the number of days in the month. The fee for the upcoming period is then calculated by multiplying the average daily balance of the account by the following annual percentages:

Account Size	Annual Fees
\$250,000 - \$999,999	1.75%
\$1,000,000 - \$2,999,999	1.25%
\$3,000,000 - \$4,999,999	1.00%
\$5,000,000 and over	0.75%

For purposes of calculating assets under management only, the value of a client's account(s) will be aggregated with the account values of a client's spouse, parent, child, partner, or sibling (collectively, a "household"). Clients are required to notify True North of any such household relationships.

Program fees will be automatically deducted from a client's account by the custodian as soon as practicable for each billing period. Should a client open an account during a month, the Firm's Program fee will be prorated based on the number of days the account will be open during the month. In the event the North's services are terminated mid-quarter, any paid, unearned fees will be refunded to the client, while any unpaid fees will be due and payable to True North. The number of days the account was managed during the month until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter).

Program fees are negotiable in the sole discretion of True North and fee arrangements with any particular client can differ from those with other clients. In addition, for family and friends of the Firm, True North, in its sole discretion, can reduce or waive management fees in their entirety. Although the Firm believes its fees are competitive, clients are advised that lower fees for comparable services could be available from other sources.

The fees that clients pay directly and indirectly in the Program can be more or less than they would pay if they purchased separately the types of services in the Program. Clients can obtain some or all of the types of services available through the Program on a stand-alone basis from other firms. Factors that bear upon the cost of the Program in relation to the cost of the same services purchased separately include, among other things, the type and size of the account (and other accounts that clients can be able to combine to determine fee break points), the historical and expected size or number of trades for an account, and the number and range of supplementary advisory and other services provided to an account. As True North absorbs certain transaction costs in wrap fee accounts, True North can have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement, which creates a conflict of interest. Importantly, True North serves as a fiduciary to its clients and has a duty to always put the clients' best interest ahead of its own. In addition, to help address this conflict, True North performs various reviews to help ensure

that clients' accounts are being managed in line with stated investment objectives and guidelines and all trading remains suitable for the clients.

### **C. Additional Fees**

Clients should understand that the fees described above do not include certain charges imposed by third parties such as charges imposed directly by a mutual fund or ETF in the account, which shall be 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. Clients should further understand that such charges and fees incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the Program fees charged by True North.

To the extent that cash used by clients to fund their Program accounts comes from redemptions of mutual fund shares, ETFs, or other investments outside of the Program, there can be tax consequences or additional costs from sales charges previously paid and redemption fees incurred.

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

True North offers independent, objective advice regarding investments to individuals, high net worth individuals, retirement plans, charitable organizations, trusts, foundations, businesses, and 401K plans. The Firm generally requires a minimum initial investment of \$250,000 to open an investment advisory wrap account, which could be negotiable by the Firm in its sole discretion.

Clients of the Program can 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, as amended ("ERISA"), are not eligible for the Program.

True North can terminate a client from the Program for any reason, in True North's sole discretion. True North also can terminate a client from the Program if True North deems the client's requested investment restrictions to be unreasonable. Before terminating a client from the Program, True North will provide at least 30 days' notice. Depending on the reason for the termination, the client can have the opportunity to resolve the reason for their termination.

Clients can terminate their agreement with True North for any reason with 30 days' advance notice.

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

### **A. Selection and Review of Portfolio Manager**

Currently, True North is the only Portfolio Manager in the Program. True North could, in the future use third-party managers for services under the Program, and if that occurs, the Firm will amend this Wrap Brochure.

## **B. Advisory Business**

True North is the sponsor of the Program. A "wrap-fee" program is one that provides the client with advisory and execution services for an inclusive fee. True North actively solicits advisory clients for the Program.

True North is 100% owned Tyler D. Vogelee.

## **C. Performance-Based fees and Side-by-Side Management**

True North does not charge performance-based fees (i.e., fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, True North does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

## **D. Methods of Analysis**

Generally, the Firm recommends asset allocations based upon information provided by the Client reflecting their particular financial circumstances, investment needs, goals and objectives and risk tolerance. This can include multiple securities asset-classes consisting of diversified stocks, bonds, mutual funds, exchange-traded funds, and alternative investments (including but not limited to REITs). In these situations, the Firm will use technical, fundamental, or cyclical analysis based upon publicly available information, research, and reports.

Technical analysis involves analyzing past market movements and applying that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Cyclical analysis involves the process of making investment decisions based on the different stages of a business cycle. Fundamental analysis is a method of evaluating a security or fund in an attempt to measure its intrinsic value. Economic factors are analyzed along with other financial qualitative and quantitative factors.

True North will monitor the progress and suitability of portfolio investments as well as market and economic outlook. To help develop its investment recommendations, True North will use commercially available information services and financial publications dealing with investment research. Such information can be obtainable in print, via the internet, secure online access, or by some other means. Issuer-prepared materials (particularly prospectuses) and research releases prepared by third parties are also utilized. True North also will use research materials prepared by various investment product vendors or custodians. True North will also obtain information by meeting with management, customers, or competitors, attending industry conferences, completing due diligence, and consulting with experts in the appropriate field.

The investment strategy of True North is to achieve client objectives and goals, while trying to minimize risk and preserve capital. By making diversification a primary focus, True North strives to manage portfolio volatility.

True North can use other investment management strategies when dealing with special situations for clients in order to diversify concentrated stock positions or manage tax implications. These strategies will be recommended when consistent with the client's stated risk tolerance and goals.

## **E. Investment Strategies and Risk of Loss**

True North employs multiple model portfolios as well as custom portfolios. Prior to investing with True North, each client's goals, assets, liabilities, investment horizon and objectives, age and risk tolerance will be assessed using a comprehensive discovery process. This process ensures the Firm has a deep understanding of the client's investment goals and will align an appropriate model the Firm determines suitable. Based on the client's input, including risk tolerance, investment objectives, or specific requests, the Firm will tailor the client's portfolio by investing in stocks, bonds, mutual funds, and exchange-traded funds that target the client's needs.

### ***Risk of Loss***

Investing in securities involves a significant risk of loss which clients should be prepared to bear. True North investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its

agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include

zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities.

There is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

There are certain additional risks associated with the securities recommended and strategies utilized



by True North including, among others:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Sector Risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-diversification Risk – The risk of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political, or regulatory occurrence than a more diversified portfolio might be.
- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest Rate Risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- Closed-end Funds Risk – The risk that closed-end funds may trade at a discount from their net asset values, which may affect whether the portfolio will realize gains or losses. They may also employ leverage, which may increase volatility (see below).
- Leverage Risk – Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Margin – When purchasing securities, the securities may be paid for in full, or it is possible to borrow part of the purchase price from the client's account custodian or clearing firm. If borrowing funds in connection with the client account, the client will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to the client. If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the account. The brokerage firm may issue a margin call and/or sell other assets in the Client's account. It is important that each client fully understand the risks involved in trading securities on margin, which are applicable to any margin account that the client may maintain. These risks include the following: (i) the client can lose more funds than deposited in the margin account; (ii) the account custodian or clearing firm can force the sale of securities or other assets in the account; (iii) the account custodian or clearing firm can sell the client's securities or other assets without contacting the client; (iv) the client is not entitled to choose which securities or other assets in the margin account may be liquidated or sold to meet a margin call; (v) the account custodian or clearing firm may move securities held in a cash account to the margin

account and pledge the transferred securities; (vi) the account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide the client advance written notice; and/or (vii) the client is not entitled to an extension of time on a margin call. Please note that using margin is not suitable for all investors; the use of margin increases leverage in a client’s account and therefore increases overall risk.

- ETNs – Exchange Traded Notes (ETNs) are senior, unsecured debt securities issued by an underwriting bank. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. ETNs are designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, less fees. When a Client buys an ETN, the underwriting bank promises to pay the amount reflected in the index, minus fees upon maturity. Thus, ETN has an additional risk compared to an ETF, upon any reduction of credit ratings or if the underwriting bank goes bankrupt, the value of the ETN may be eroded or lost entirely.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF’s 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 our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Opportunity Cost Risk – The risk that an investor may forego profits or returns from other investments.
- Real Estate Investment Trust (“REIT”) Risk - The risk that may be associated with the direct ownership of real property, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increase in property taxes and operating expenses and variations in rental income. REITs are also subject to interest rate risks. When interest rates decline, the value of a REIT’s investment in fixed-rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT’s investment in fixed-rate obligations can be expected to decline
- Real Estate Funds (including REITs) Risk - Real estate funds face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

## **F. Voting Client Securities**

True North's policy and practice is to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account, unless the account is an ERISA account and such authority has not been delegated to another named fiduciary in the plan's written documents. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. True North shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

True North typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

True North, through its advisors, is responsible for account management. The Firm obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. This information is obtained through detailed discussions and by having the client complete a written investment management agreement and other documentation. Clients are encouraged to contact True North if there have been any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Clients should be aware that the investment objective selected for the account is an overall objective for the entire account and can be inconsistent with a particular holding and the account's performance at any time. Clients should be aware that achievement of the stated investment objective is a goal for the account.

## **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Clients are always free to directly contact True North with any questions or concerns they have about their portfolios or other matters.

## **ITEM 9: ADDITIONAL INFORMATION**

### **A. Best Execution and Directed Brokerage**

It is the policy and practice of True North to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, True North will use TDA. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of their services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, it will not always necessarily obtain the lowest possible commission rates for client transactions. True North is not required to negotiate "execution only" commission rates, thus clients can be deemed to be paying for research and related services (i.e., "soft dollars") provided by TDA which are included in the commission rate.

To ensure that TDA is conducting overall best qualitative execution, the Firm will periodically (and no less often than annually) evaluate the trading process of TDA. The Firm's evaluation will consider the full range of brokerage services offered by TDA, which can include, but is not limited to price, commission, timing, research, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

True North does not allow a client to direct the Firm to execute all or a portion of client transactions through a specific broker ("Directed Brokerage").

## **B. Trade Aggregation and Allocation**

Transactions for each client will be affected independently unless True North decides to purchase or sell the same securities for several clients at approximately the same time. True North performs investment management services for various clients, some of which have similar investment objectives. The Firm can (but is not obligated to) aggregate or "batch" sale and purchase orders with other client accounts that have similar orders being made contemporaneously, if in True North's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits can include better transaction prices and lower trade execution costs. True North can combine 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 have been obtained had such orders been placed independently.

Because of prevailing market conditions, it is possible to not execute all shares of an aggregated trade, in which case the Firm will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade. Ordinarily, the executing broker-dealer will provide an average price, and where possible, average transaction costs that will be allocated to all accounts participating in the aggregated trade. In certain cases, True North will not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability and account restrictions. If such orders cannot be fully executed under prevailing market conditions, True North can allocate the securities traded among clients and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security.

## **C. Disciplinary History**

Registered investment advisers such as True North are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of True North or the integrity of its management. True North does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

#### **D. Other Financial Industry Activities and Affiliations**

Some of the Firm's investment adviser representatives ("IARs") are licensed insurance agents with various unaffiliated life, health, and disability insurance companies. There are times when these IARs recommend the purchase of certain insurance products to True North clients for which the IARs, in their capacities as insurance agents, will receive normal and customary compensation should the client follow the recommendation.

Due to the fact such representatives are licensed and can recommend the purchase insurance or other products where they receive other compensation for doing so, a conflict of interest exists because the representatives have an incentive to make recommendations based on the compensation received rather than on a client's needs. True North has adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, the Firm, and our representatives, endeavor at all times to act in the Client's best interest, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients through the Firm's Brochure, Brochure Supplements, the client Agreement and/or verbally prior to or at the time of entering into an agreement with True North. Clients always have the right to decide whether or not to implement any recommendations by the Firm. Should the client choose to do so, the Client always has the right to choose the professional in which to do so. True North Clients should understand that lower fees for comparable services may be available from other sources.

Neither True North nor any of its management persons are registered, or have an application pending to register as a broker-dealer. Further, neither True North nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities. True North does not recommend or select other investment advisers for Clients in exchange for compensation from those advisers.

#### **E. Code of Ethics**

True North is a fiduciary who owes its Clients undivided loyalty. This fiduciary obligation imposes upon True North and its associated persons a duty to deal fairly and to act in the best interest of its Clients. In addition, this obligation imposes upon True North and its associated persons numerous responsibilities, including the duty to render disinterested and impartial advice; to make suitable recommendations within the context of the total portfolio to Clients in light of their needs, financial circumstances and investment objectives; to exercise a high degree of care to ensure that adequate and accurate representations of its business and other information about securities are presented to Clients; and to not engage in fraudulent, deceptive or manipulative practices.

To this end, True North has adopted a Code of Ethics ("Code") which establishes standards of conduct for the firm's supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information.

Because True North's investment professionals and associated persons can transact in the same securities for personal accounts as they buy or sell for Client accounts, it is important to mitigate

potential conflicts of interest. As such, True North has adopted personal securities transaction policies in its Code, which all of True North's associated persons must follow. Specifically, the Code requires personnel to report personal trades and holdings and prohibits certain trades or requires pre-clearance for those trades in certain circumstances. The Code also contains procedures for reporting violations and enforcement. The Code is reviewed and distributed to personnel annually. True North will provide a copy of its Code of Ethics to any Client or prospective Client upon request. Please contact True North at (406) 294-5000.

#### **F. Participation or Interest in Client Transactions and Personal Trading**

It is True North's policy not to enter into any principal transactions or agency cross transactions on behalf of Client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory Client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction.

Further, neither True North nor a related person acts as general partner in a partnership in which the Firm solicits client investments or acts as an investment adviser to an investment company recommended to clients. Other than allowing for associated persons to buy or sell the same securities recommended or owned by clients (as discussed further below), neither True North nor any related person buys or sells for clients' accounts investments in which the adviser or related persons has a material financial interest.

True North or individuals associated with True North can buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by Clients. Alternatively, True North can cause Clients to buy a security in which True North or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the Client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, True North has adopted a Code of Ethics, which outlines the procedures regarding personal trading that must be followed (see details below). Additionally, as part of True North's fiduciary duty to Clients, True North and its supervised persons will endeavor at all times to put the interests of the Clients first and at all times are required to adhere to True North's Code of Ethics.

##### **1. Personal Trading**

On occasion employees of True North are permitted to buy for their own accounts securities which True North also recommends to Clients. It is possible that officers or employees of True North will buy or sell securities or other instruments that True North has recommended to Clients and can engage in transactions for their own account in a manner that is inconsistent with True North's recommendations to a Client. Personal securities transactions by employees raise potential conflicts of interest when such individuals trade in a security that is owned by, or considered for purchase or sale for, a Client.

In order to mitigate this conflict of interest and to comply with all applicable laws and regulations, True North's Code of Ethics sets forth the professional and fiduciary standards that all associated persons must follow. The Firm's intention is to protect Client interests at all times and to demonstrate True North's commitment to its fiduciary duties of honesty, good faith, and fair

dealing with Clients. All associated persons are expected to adhere strictly to the policy and are required to follow specific procedures regarding personal trading, including:

- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Conduct all personal securities transactions in a manner consistent with the adopted policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- Comply with applicable provisions of the federal securities laws.

True North and its Associated Persons are permitted to also buy or sell specific securities for their own accounts based on personal investment considerations, which True North does not deem appropriate to buy or sell for Clients.

## **G. Review of Accounts**

### **1. Periodic Reviews**

Accounts are monitored on an ongoing basis, which includes detailed periodic reviews. The frequency of reviews is at the discretion of True North, but accounts are typically reviewed not less than annually. Accounts are reviewed for performance, consistency with the investment strategy and Client objectives, and other account parameters in order to determine if any adjustments need to be made. Reviews are performed by the Firm's Investment Adviser Representatives.

For Clients receiving financial planning services, financial plans will only be reviewed if the Client selects to receive "ongoing" financial planning services from the Firm. In such situations, the Client's financial plan will be reviewed as determined by the complexity of the Client's financial situation, or as requested by the Client, but in no case less than annually.

### **2. Other Reviews and Triggering Events**

In addition to the periodic reviews described above, reviews will be triggered by changes in a Client's personal, tax or financial status. Account holdings also are reviewed when changing market conditions warrant such review. Clients are encouraged to notify the Firm and its advisory representatives of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

### **3. Regular Reports**

Written account statements are generated no less than quarterly and are sent directly from the account custodian. These statements list the account positions, activity in the account over the covered period, and other related information, including any fees deducted from the account. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

In addition, clients can receive other supporting reports from mutual funds, trust companies, broker-dealers or insurance companies based on their involvement with the account and their applicable internal reporting requirements.

#### 4. Client Referrals and Other Compensation

True North generally recommends that clients use TDA as their custodian and broker of record. While there is no direct link between the investment advice given to clients and True North's recommendation to use TDA as their custodian, certain benefits are received by True North due to this arrangement. TDA makes available certain products and services that assist True North in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of True North's fees from client accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally are used to service all or a substantial number of the Firm's accounts. TDA can also make available to True North other products and services that benefit True North but not directly benefit client accounts, such as services intended to help the Firm manage and further develop its business enterprise. These services include consulting,

publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. While as a fiduciary, True North endeavors at all times to act in the best interests of clients, the Firm's recommendation that clients establish or maintain custodial accounts with TDA is based in part on the benefits True North obtains as a result of the availability of the products and services discussed above and not solely on the nature, cost or quality of the custodial and brokerage services provided by TDA. Accordingly, the receipt of such economic benefits creates a potential conflict of interest of which all clients should be aware.

We receive an economic benefit from TDA in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at TDA. In addition, TDA has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at TDA reaches a certain amount. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 of Form ADV Part 2A — Brokerage Practices).

Neither True North nor any of its related persons directly or indirectly compensates any person who is not a supervised person for client referrals. Moreover, the Firm generally does not receive an economic benefit from someone who is not a client for providing investment advisory services to its clients.

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provide research, pricing information and other market data, facilitate payment of True North's fees from client accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally are used to service all or a substantial number of the Firm's accounts.

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Additionally, as mentioned above, certain True North representatives have outside business activities that provide additional compensation. Please refer to Items 5 and 10 above, and/or the

respective representative's Form ADV Part 2B, for detailed information regarding these business activities, the compensation received, the related conflicts and how True North mitigates such conflicts.

#### 5. Financial Information

True North does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore is not required to provide a balance sheet. True North does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to Clients and has not been the subject of a bankruptcy proceeding.