

**Item 1 Cover Page**

**Hayden Royal, LLC**  
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This wrap fee brochure provides information about the qualifications and business practices of Hayden Royal, LLC. If you have any questions about the contents of this brochure, please contact us at (704) 919-0439 or [lld@haydenroyal.com](mailto:lld@haydenroyal.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Hayden Royal, LLC is an SEC registered investment advisory firm. Registration does not imply a certain level of skill or training. Additional information about Hayden Royal, LLC is also available on the SEC's website at [www.AdvisorInfo.sec.gov](http://www.AdvisorInfo.sec.gov).

**Item 2 - Material Changes**

Since our last Amendment in September 2019, no material changes have been made to our Firm Brochure.

### Item 3 - Table of Contents

Item 1 Cover Page.....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents.....	3
Item 4 – Services, Fees and Compensation.....	4
Item 5 – Account Requirements and Types of Clients .....	7
Item 6 – Portfolio Manager Selection and Evaluation .....	8
Item 7 – Client Information Provided to Portfolio Managers .....	12
Item 8 – Client Contact with Portfolio Managers .....	13
Item 9 – Additional Information .....	13
<b>Privacy Policy</b> .....	15
<b>Business Continuity Plan</b> .....	16

#### **Item 4 – Services, Fees and Compensation**

Hayden Royal, LLC (“Hayden Royal”, “HR”, “Firm”) was organized as a limited liability company under the laws of Illinois in 2014. As of July 18, 2018, Hayden Royal, LLC changed its legal domicile from the state of Illinois to the state of North Carolina and is now a limited liability company organized under the laws of the state of North Carolina. Hayden Royal provides portfolio management and financial planning services to its clients. Louis Dworsky and Zermatt Holdings, LLC are the principal owners of Hayden Royal.

As of December 31, 2019, Hayden Royal had \$1,357,022,461.00 in discretionary assets under management and \$0.00 in assets under advisement.

Hayden Royal provides advisory services, giving continuous advice based on the client’s individual needs. Through personal discussions in which goals and objectives based upon the client’s personal objectives are established, the firm will develop an investment plan based upon a financial profile and manage the portfolio according to the criteria.

In addition to the program described in this Brochure, Hayden Royal also offers a non-wrap fee program, which is disclosed in a separate Firm Brochure. In a wrap fee program, clients are charged an all-inclusive “wrap” fee on Program Assets that covers advisory, execution, custodial and reporting services on eligible assets. A portion of these fees will be paid to Hayden Royal for advisory services. In a non-wrap fee program, Hayden Royal fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client.

At the outset of each client relationship, Hayden Royal’s IARs spend time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, Hayden Royal generally develops with each client:

- a financial outline for the client based on the client’s financial circumstances and goals, and the client’s risk tolerance level (the “Financial Profile”); and
- the client’s investment objectives and guidelines (the “Investment Plan”).

The Financial Profile is a reflection of the client’s current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments the IAR will make or recommend on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client but are not necessarily written documents.

#### **Reasonable Restrictions**

Notwithstanding the foregoing, clients may impose certain reasonable restrictions, in writing, on Hayden Royal in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. If a client’s instructions are unreasonable or an IAR believes that the instructions are inappropriate for the client, Hayden Royal will notify the client that, unless the instructions are modified, it will cancel the instructions in the client’s account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or

sale of specific securities or types of securities within the fund. Each client should note that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by considering each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Hayden Royal.

#### Fees for Portfolio Management

The annual fee schedule, based on a percentage of assets under management, is as follows:

- Up to 2.5% on non-discretionary accounts
- Up to 3.0% on discretionary accounts

Hayden Royal does not generally impose a minimum annual fee or a minimum portfolio value. Hayden Royal may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Hayden Royal deems it appropriate under the circumstances. Each client's specific fee schedule will be included in their Advisory Management Agreement.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly and billed the first month after account inception. Deposits and/or withdrawals of \$10,000 or more made during the calendar quarter will be prorated and charged or rebated in advance (arrears), as applicable.

With client authorization in the Advisory Management Agreement and unless other arrangements are made, fees are normally debited directly from client account(s).

The wrap fee programs may cost the Client more or less than purchasing such services separately: such a determination will depend in part on the trading activity in the Client's Account. Clients acknowledge that commissions or fees charged to their accounts may be considered in excess of the industry norm. All-inclusive wrap fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Because Hayden Royal may receive more compensation from a Client participating in the Program than if the Client received advisory services and brokerage services separately, Hayden Royal has a potential financial incentive to recommend the Program to Clients over other types of advisory services. A non-wrapped pricing arrangement is more cost effective for Accounts that do not experience frequent trading activity.

#### Margin

Our Investment Adviser Representatives may trade on margin for client accounts, when consistent with the client's suitability profile and risk tolerance or at the client's directive. The use of margin results in interest charges as well as all other fees and expenses associated with the security or account involved.

Fees are debited directly from client accounts and are calculated using the total assets in the account as shown on the client custodial statement, including any assets purchased on margin. If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation.

#### General Fee Information

In addition to the fees outlined above, a separate platform fee of up to .25% is charged which covers the firm's technology platforms used for billing, reporting and accessing a wide field of money managers. This fee will be levied in addition to the Hayden Royal advisory fee assessed for investment management services and any fee charged by subadvisors utilized on the Envestnet platform and is not billed as a separate line item. Furthermore, each account shall be subject to a \$10 minimum quarterly technology platform fee (\$40 annually). To the extent that the overall quarterly fee assessed on each account is less than \$10, the difference shall be assessed and charged to the client.

The client should review all fees charged by funds, brokers, Hayden Royal and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Other Charges

In addition to the advisory fees paid to Hayden Royal, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). In addition, each mutual fund, sub-advisor or third-party investment manager charges asset management fees, which are in addition to the advisory fees charged by our firm. The fees charged by such funds or managers are disclosed in each fund's prospectus or Manager's ADV Part 2A. The Management Fee also does not cover fees and charges in connection with: debit balances; margin interest; odd-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; legal transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law.

Some mutual funds within this program pay 12b-1 service fees (normally 0.25% per year) to the Custodian. The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12b-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund prospectus. When deciding whether to invest in a mutual fund share classes are compared and reviewed along with the anticipated investment timeframe and other costs to determine the best selection for the client at that time. Mutual funds carrying 12b-1 fees may be recommended when seen as an overall benefit to the client. For example, a lower share class may not be available to Hayden Royal; or mutual funds that charge 12b-1 fees are transferred into Hayden Royal. On a regular basis the Firm will review any holdings with 12b-1 fees to see if there is a lower cost share class available to consider switching into. The Firm does not receive any part of the fees charged by Mutual Funds.

The client should review all fees charged by funds, brokers, Hayden Royal and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Account Termination

Client and/or the firm may initiate termination of the contract at any time by sending written notice to the contra party and will be accepted the day that it is received by the contra party. If Hayden Royal is notified by the custodian that an account is being transferred away from the Firm we will annotate the account as closed as of the date of that notification. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar quarter and excess fees will be rebated to the client. Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, Hayden Royal and its agent will cease advisory services. Should the client provide specific instructions to liquidate, Hayden Royal will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Hayden Royal and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

Although Hayden Royal believes its fees are reasonable in light of the services provided, clients should be aware that transaction fees may be higher than those otherwise available if advisory services and brokerage services were provided separately for a discrete fee or if an investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account with Hayden Royal. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. All fees described herein are subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

#### **Item 5 – Account Requirements and Types of Clients**

Hayden Royal serves individuals, high net worth individuals, companies and non-profit institutional

funds. Hayden Royal does not generally impose a minimum portfolio value or a minimum fee for conventional investment advisory services.

Certain third-party managers may require a higher minimum as disclosed in the individual manager's Firm Brochure. Under certain circumstances, the minimum may be waived, including related accounts that are combined to meet the minimum.

#### **Item 6 – Portfolio Manager Selection and Evaluation**

Hayden Royal Investment Advisor Representatives ("IAR") may act as portfolio manager in the Hayden Royal Wrap Program ("program") or they may choose to utilize sub-advisors as well. If subadvisors are utilized the client will incur an additional fee for the subadvisor. There is no difference in how we manage a Wrap Fee account versus a Non-wrap account. HR does receive a portion of the wrap fee for our services.

#### **Financial Planning**

Hayden Royal offers financial planning services to those clients in need of such service in conjunction with Portfolio Management services. Hayden Royal's financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client's Investment Plan. Financial planning may be offered as a stand- alone service for a separate fee or provided in conjunction with the management of the portfolio. If Financial planning is offered as a stand- alone service a separate financial planning agreement detailing what services will be provided will be signed by the IAR and client.

#### **Portfolio Management**

As described above, at the beginning of a client relationship, the IAR meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by the IAR based on updates to the client's financial or other circumstances. The IAR shall assist their client in formulating a strategic investment portfolio based on the client's investment objectives. Once formulated, the IAR will implement and continually manage the portfolio.

#### **Sub-Advisors**

Hayden Royal has access to a wide range of non-affiliated investment advisors ("sub-advisors") via the Envestnet ENV2 platform to offer asset allocation and asset management services to Hayden Royal advisory clients. Each IAR shall assist their client in formulating a strategic investment portfolio based on the client's investment objectives. Once formulated, a suitable sub-advisor is selected to implement and continually manage the portfolio. In preparing the portfolio, each IAR will set restrictions or limitations on the management of the account and explain to the client the continual account activity transacted by the sub-advisor. Also, Hayden Royal will periodically review the current and historical performance record of each sub-advisor.



The relationship of Hayden Royal with the subadvisor will be clearly communicated to all clients. With each proposal done through the ENV2 platform the client will be provided a copy of the Envestnet Form ADV 2A or brochure.

### Third Party Money Managers

Hayden Royal has also entered into additional agreements with various non-affiliated investment advisors (“third-party money managers”) not available on the Envestnet platform to offer asset allocation and asset management services to Hayden Royal advisory clients. In the same way as mentioned above, each IAR shall assist their client in formulating a strategic investment portfolio based on the client's investment objectives. Once formulated, a suitable third-party money manager is selected to implement and continually manage the portfolio. In preparing the portfolio, each IAR will set restrictions or limitations on the management of the account and explain to the client the continual account activity transacted by the third-party money manager.

Hayden Royal will periodically review the current and historical performance record of each third-party money manager. The relationship of Hayden Royal with these third-party money managers will be clearly communicated to all clients in the third-party money manager's Client Services Agreement and/or other similar documentation. Each third-party money manager is required to provide Hayden Royal and the IAR with a disclosure document statement, typically a copy of their Form ADV 2A. The third-party money manager's Form ADV 2A will be provided to the client by the IAR.

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

Hayden Royal does not charge any performance-based fee, that is, fees based on a share of capital gains or capital appreciation of client assets. “Side by Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Hayden Royal has no performance-based fee accounts, it has no side-by-side management.

### Methods of Analysis

In accordance with the Investment Plan, Hayden Royal will primarily invest in mutual funds, Exchange Traded Funds (“ETFs”) and individual common stocks and bonds.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Hayden Royal may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

In making selections of individual stocks for client portfolios, Hayden Royal may use any of the following types of analysis:

*Fundamental Analysis*- involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to- earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

*Charting Analysis*- involves the gathering and processing of price and volume information for a security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

*Technical Analysis*- involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

*Cyclical Analysis*- a type of technical analysis that involves evaluating recurring price patterns and trends.

#### Investment Strategies

Hayden Royal' strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

*Long Term Purchases*- securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Short Term Purchases*- securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

*Short Sales*- a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

*Trading*- generally considered holding a security for less than thirty (30) days.

*Options Trading/Writing*- a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

*Pooled Investment Vehicles* – a fund that pools various investors' capital and invest it according to a

specific investment strategy.

### Risk of Loss

While Hayden Royal seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks* - While Hayden Royal manages client investment portfolios, or recommends one or more Managers, based on Hayden Royal' experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Hayden Royal or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Hayden Royal' specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools*- As described above, Hayden Royal or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks*- Hayden Royal and any Manager(s) will generally invest portions of client assets directly into equity investments, either stocks or pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks* - Hayden Royal and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks*- Hayden Royal and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Alternative Investment Risks* - Investing in hedge funds is speculative and is suitable only for investors who can tolerate substantial risks. An investor may lose some or all of their investment. An investment into each fund should be considered only by sophisticated investors who have carefully read the Offering Memorandum and who understand the risks involved. An investment should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

The transactions in which the Funds will engage involve substantial risks. Growing competition may limit each Fund's ability to take advantage of trading opportunities in rapidly changing markets or to access investment opportunities believed to be attractive. No assurance can be given that Investors will realize a profit on their investments. Moreover, Investors may lose all or some of their investments. Due to the nature of each Fund's trading and investment activities, the results of each Fund's operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

#### Voting Client Securities

As a policy and in accordance with Hayden Royal's client agreement, Hayden Royal does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Hayden Royal with questions relating to proxy procedures and proposals; however, Hayden Royal generally does not research particular proxy proposals.

#### **Item 7 – Client Information Provided to Portfolio Managers**

Hayden Royal may act as both your registered investment adviser and your portfolio manager. In those instances, your Portfolio Manager has the same access to your financial information as Hayden Royal. Your financial information includes, among other things, information on your income, net worth, and investment objectives. Your Portfolio Manager uses this information to determine an appropriate asset allocation for you and to manage your investments. When you update your information with Hayden Royal, your Portfolio Manager will have immediate access to the same updated information.

Hayden Royal may outsource its portfolio management by using outside portfolio managers for its wrap program. The third-party manager or sub-advisor generally requires clients to complete an investment profile questionnaire upon account opening. Clients should inform Hayden Royal in writing of any material changes in the Client's investment objectives that might affect the manner in which a Client's assets should be invested. The Client may contact Hayden Royal during normal business hours concerning the management of their account.

#### **Item 8 – Client Contact with Portfolio Managers**

When Hayden Royal acts as both your registered investment adviser and Portfolio Manager, you may contact your investment adviser representative directly during normal business hours. When an outside Portfolio Manager is used, you can contact your investment adviser representative who will provide contact information to your Portfolio Manager or schedule a call for you.

#### **Item 9 – Additional Information**

##### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Hayden Royal or the integrity of Hayden Royal management. Hayden Royal currently has no disciplinary events to report.

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

Certain of Hayden Royal's advisors are also Registered Representatives of Allen C. Ewing & Co., Chalice Wealth Partners, LLC, American Wealth Management, Inc., GLS& Associates, and Calamar Financial Group, LLC, all SEC registered broker/dealers and members of FINRA and SIPC.

Additionally, certain individuals are separately licensed as insurance agents with Hayden Royal Insurance Services, LLC ("HRIS"). HRIS is registered as an insurance agency engaging in Life, Health, Long Term Care and Variable Insurance business. HRIS is affiliated with the firm through common ownership. Variable insurance products will be offered through an unaffiliated broker dealer. Non-variable insurance products will be offered through the insurance agency. Certain IARs are separately licensed as insurance agents/brokers for various independent insurance companies as well.

Please refer to your IAR's individual brochure to identify the companies, if any, they are registered and/or licensed with.

As registered representatives or insurance agents they are entitled to receive commissions or other remuneration on the sale of insurance and other brokerage products. To protect client interests, Hayden Royal's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and pay an advisory fee to Hayden Royal on the same pool of assets. These fees are exclusive of each other.

This poses a conflict of interest to the extent that there is a financial incentive to recommend securities and other insurance products that result in commissions, brokerage fees, 12b-1 fees or other payments. Hayden Royal is dedicated to acting in our clients' best interests based on fiduciary

principles. Clients are under no obligation to purchase any recommended brokerage or insurance products.

Hayden Royal is affiliated through common ownership with Maven Capital, LLC an SEC registered investment advisory firm. Hayden Royal IARs may recommend the utilization of Maven Capital, LLC as a sub-advisor. This poses a conflict of interest to the extent that there is a financial incentive to recommend Maven Capital, LLC over another, unaffiliated, third-party manager. Hayden Royal is dedicated to acting in our clients' best interests based on fiduciary principles and will ensure the appropriate sub-advisor or third-party money manager, if any, is utilized for each individual client.

Hayden Royal is also affiliated through common ownership with Morse Capital Partners, an SEC registered investment advisory firm.

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

Hayden Royal has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Hayden Royal's Code has several goals. First, the Code is designed to assist Hayden Royal in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisors Act of 1940, Hayden Royal owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires all persons associated with Hayden Royal to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Hayden Royal associated persons. Under the Code's Professional Standards, Hayden Royal expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Hayden Royal associated persons are not to take inappropriate advantage of their positions in relation to Hayden Royal clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Hayden Royal associated persons may invest in the same securities recommended to clients. Under its Code, Hayden Royal has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Review of Accounts

Managed portfolios are reviewed at least annually by your IAR but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Hayden Royal. These factors may include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. The company's CCO, Sarah Westbrook or designee, will review a sample of accounts in addition to the IAR assigned to the account.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Hayden Royal can provide additional written reports as needed or requested by the client.

#### Client Referrals

Neither RJFS, TD or RBC nor any other party is paid to refer clients to Hayden Royal and Hayden Royal does not receive compensation by anyone other than the client for providing investment advice and other advisory services.

#### Other Compensation

Certain of Hayden Royal's employees are also Registered Representatives of Allen C. Ewing & Co., Chalice Wealth Partners, LLC, American Wealth Advisors, Inc., GLS& Associates, or Calamar Financial Group, LLC, all SEC registered broker/dealers and members of FINRA and SIPC. As such, they are entitled to receive commissions or other remuneration on the sale of insurance and other products. To protect client interests, Hayden Royal's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and pay an advisory fee to Hayden Royal on the same pool of assets. These fees are exclusive of each other.

As a result of these broker/dealer relationships, these firms may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about Hayden Royal clients, even if the client does not establish any account through these firms. If you would like a copy their privacy notice, please contact Sarah Westbrook, Hayden Royal's Chief Compliance Officer at the number listed on the cover sheet.

#### Financial Information

Registered Investment Advisors with discretionary authority over client funds and securities or that require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance have an obligation to disclose certain financial conditions to clients. Hayden Royal has no financial condition that is likely to impair our ability to meet contractual commitments to clients and has not been the subject of any bankruptcy proceeding.

#### **Privacy Policy**

The Firm collects non-public personal information about clients from information received on applications or other forms and information about client transactions with Firm affiliates, others, or the Firm itself. HR does not disclose any nonpublic personal information about current or former clients to anyone, except as permitted by law or in order to provide the current services. Firm employees have limited access to client personal information based on their responsibilities to provide products or services to clients. The Firm maintains physical, electronic and procedural safeguards in compliance with federal standards to protect client information. If the IAR servicing a client account leaves HR to join another firm, the IAR is permitted to retain copies of client

information so that he/she can assist with the transfer of the client account and continue to serve the client at their new firm.

### **“Opting-out” of Third-Party Disclosures**

If a client does not want an IAR to retain copies of client sensitive information when he/she leaves HR to join another firm, the client may contact the HR Compliance Department by calling 704-919-0439.

### **Business Continuity Plan**

HR has developed a Business Continuity Plan to address how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions are unpredictable, we will be flexible in responding to actual events as they occur. Within 24 hours after a significant business disruption, we plan to quickly recover and resume business operations and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

The Firm’s business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business. The Firm’s custodians back up important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, HR has been advised by the custodians that their objective is to restore operations and be able to complete existing transactions and accept new transactions and payments within four hours of the disruptive event. Client orders and requests for funds and securities could be delayed during this period.

### **Contacting Us**

If, after a significant business disruption, a client is unable to contact HR at 704-919-0439, please visit the parent company’s website at [www.haydenroyal.com](http://www.haydenroyal.com) to review updated contact information.

### **Varying Disruptions**

Significant business disruptions can vary in their scope, such as only our Firm, a single building housing our Firm, the business district where our Firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing our Firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 24 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within three (3) days. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and provide you with instructions on how to contact us through our parent company’s web site: [www.haydenroyal.com](http://www.haydenroyal.com). If the significant business disruption is so severe that it prevents us from



remaining in business, we will assure our client's prompt access to their funds and securities. This information is provided solely to our clients and no further distribution or disclosure is permitted without our prior written consent. No person other than our clients may rely on any statement herein. Our Business Continuity Plan is reviewed and updated regularly and is subject to change. Please visit our parent company's web site at [www.haydenroyal.com](http://www.haydenroyal.com) for the most current copy of this disclosure. You may request an updated copy by writing us at the following address:

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