

**Item I. Cover Page**

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**ChangePath LLC**

**March 2020**

ChangePath LLC  
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Leawood, KS 66211  
[www.changepath.com](http://www.changepath.com)

This brochure (“Brochure”) provides information about the qualifications and business practices of ChangePath LLC. If you have any questions about the contents of this Brochure, please contact ChangePath LLC’s Chief Compliance Officer (“CCO”), J.P. Rankin, at (913) 402-2175 or by email at [jp@changepath.com](mailto:jp@changepath.com).

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Any reference to ChangePath LLC as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

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**Item 2 - Material Changes**

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ChangePath LLC has no material changes to report since the previous annual updating amendment filed in March 2019.

**Item 3 - Table of Contents**

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**Item 4 - Advisory Business**

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**A. Description of the Advisory Firm**

Founded in 2015, ChangePath, LLC (hereinafter "ChangePath") is an investment advisory firm providing fee-based asset management services for clients, as well as comprehensive financial planning services. ChangePath is a Limited Liability Company organized in the State of Kansas.

The primary owners of ChangePath are CM2 Holding Company, Inc., See Also, LLC, and JRC Equity Partners, LLC.

**B. Advisory Services Offered**

ChangePath provides Asset Management and Financial Planning Services for its clients, each of which is more fully described below. Clients collaborate with an investment adviser representative ("IAR") to determine which services to employ to best help clients reach their financial goals.

**Asset Management Services**

ChangePath's principal service is fee-based investment advisory services. ChangePath manages investment portfolios on a discretionary basis consistent with clients' investment objectives and guidelines. Prior to engaging ChangePath to provide Asset Management, the client will be required to enter into a written agreement with ChangePath setting forth the terms and conditions under which the firm shall render its services. The Agreement, in part, grants ChangePath discretionary authority to manage the client's investments based on the individual needs, goals, objectives, investment time horizon, and risk tolerance of each client. ChangePath will not assume any responsibility for the accuracy of information provided by the client. ChangePath is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

ChangePath uses a Risk Tolerance Questionnaire to gather the aforementioned information from the Client which is analyzed by ChangePath IARs. Once the analysis is complete, the IAR develops an investment strategy or Investment Proposal with the prospective client that addresses specific investment criteria and allocation of the client's assets. Asset management services include but are not limited to Investment Strategy; Asset Allocation; Risk Tolerance; Personal Investment Policy; Asset Selection; and Regular Portfolio Monitoring. ChangePath evaluates the current investments of each client, with respect to their risk tolerance levels and time horizon. ChangePath requests discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

ChangePath offers a discretionary management program that consists of proprietary models and partners with Sub-Advisory firms to create and manage portfolio strategies. ChangePath may use Unified Managed Accounts ("UMA") when it is in a client's best interest. This allows for multiple strategies to be managed and held within the same account. The Investment Proposal consists of model asset allocation recommendations based on the client's risk tolerance, time horizon, investment objectives and restrictions, tax status and financial sophistication. Each asset class may include, but not be limited to, stocks, exchange-traded funds, and mutual funds. The Investment Proposal may also recommend a percentage of the portfolio be allocated to an Indexed Annuity product consistent with the client's investment objectives. Indexed Annuities are considered insurance products and are not sold through ChangePath, but as indicated below in Item 10 ChangePath IARs may also be insurance licensed. These products are primarily sold through Creative One Marketing which is owned by CM2 Holding Company, a principal owner in ChangePath as noted in subsection A above. The ChangePath IAR does not have discretion over the purchase or sale of the insurance product. It is at the client's sole discretion to determine whether to include the Indexed Annuity product from the Investment Proposal within

their investment portfolio. The ChangePath IAR will only have discretionary trading authority over the assets included in the models. If the client chooses to include an Indexed Annuity product in their portfolio, the ChangePath IAR, in his or her capacity as an insurance agent, will typically receive a sales commission directly from the insurance carrier. The assets invested in the Indexed Annuity will not be included as assets under management when determining the advisory fee for the client's ChangePath portfolio. The client's portfolio and its performance are monitored by the client's IAR.

Investments are not held by ChangePath. Instead, all investments managed by ChangePath through the ChangePath Platform are held at the brokerage firm ("Custodian") through which transactions are placed. As noted above, ChangePath IARs will exercise discretionary authority granted by clients. When doing so, it allows IARs to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, without obtaining specific consent from the client for each trade. Clients should be aware that IARs may make different recommendations and effect different trades with respect to the same securities and insurance products to different advisory clients. Rebalancing of the asset allocation models by ChangePath will occur as necessary. Account rebalancing is accomplished by buying and selling shares of stocks, mutual funds, or exchange-traded funds to reach target allocations.

### ***Selection of Other Advisers***

ChangePath has discretion to choose third-party investment advisers (sometimes referred to as "sub-advisers") to manage all or a portion of the client's assets. However, clients may specify from the third-party investment advisers on the ChangePath platform which third-party adviser they would like to use. Before selecting other advisers for clients, ChangePath will always ensure those other advisers are properly registered as an investment adviser. ChangePath conducts due diligence on any third-party investment adviser, which involve the following: phone calls, meetings and review of the third-party adviser's performance, reviews of the third-party adviser's Form ADV, and investment strategy. The due diligence findings are presented to the ChangePath investment committee who would then approve or decline investing with a particular third-party adviser. Investments with these third-party advisers may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of ChangePath's client. ChangePath will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Financial Planning Services***

Through its IARs, ChangePath offers comprehensive financial planning services for individuals, families, and businesses. Financial Planning services include data gathering and analysis, along with creating a financial plan with specific recommendations and implementation advice tailored to client needs. Depending on the individual client's needs, specific areas of planning advice can include investment planning, insurance needs assessment and advice, retirement planning, cash flow management, debt consolidation, capital needs assessments, educational planning, estate planning, and business planning. Clients are asked to sign a Financial Planning Services Agreement when contracting with the adviser for this service. In no case will the plan be delivered later than six (6) months after the Agreement has been signed and payment has been received by ChangePath.

The IAR may also, as requested, recommend changes to the client's investment portfolio or plan in writing. Changes in the client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes in the plan. To the extent material changes have occurred to a client's circumstances or goals, or to the extent a client requests a new project, thereby causing a significant change to the existing plan, the client will be asked to sign a new Financial Planning Services Agreement. The client may initiate contact with the client's IAR as often as needed and the IAR will schedule conferences as needed.

Clients decide which investment recommendations to accept and implement in connection with the financial plan. Clients are also free to select any brokerage, insurance or other product provider to purchase (or sell) the investments, insurance, or other products discussed with

ChangePath.

All planning is based on information provided by the client. It is the client's responsibility to be certain ChangePath has current and accurate information to enable ChangePath to prepare the initial plan. It is the client's responsibility to inform the IAR of material changes affecting the investments and planning strategies implemented so the IAR has them for future reference.

If a conflict exists between the interests of ChangePath and the interests of the client, the client is under no obligation to act on ChangePath's recommendations and if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through ChangePath. There can be no assurance that ChangePath's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients should also be aware that other advisory firms may charge lower fees for providing such services.

***Serving as a Sub-Adviser to Independently Sponsored Advisory Programs***

ChangePath may participate as a sub-adviser under other firms' advisory programs. In these arrangements, a registered investment adviser, for which ChangePath is providing its sub-advisory services, would recommend to a Client that the client invest in ChangePath-managed models. ChangePath receives a fee for portfolio management services provided to clients of a third-party firm as outlined in the sub-advisory agreement executed between ChangePath and the third-party RIA. This agreement may also outline items such as the advisory services to be provided, the responsibilities of ChangePath and the other firm, and the terms of engagement including fees and termination. This agreement enables the independent investment adviser's discretion, when determining the selection of investment strategies implemented, which may or may not include ChangePath's proprietary models. Responsibilities such as collecting the client's investment objectives, determining the strategy best suited for the client, and communication with the client will be the responsibility of the outside firm. ChangePath has no responsibility to assess the value of services provided by the outside firm, therefore the client should evaluate whether such a program is suitable for their needs and objectives, and whether comparable or similar services are available at a lower cost elsewhere.

***Services Limited to Specific Types of Investments***

ChangePath generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including traded REITs), insurance products including annuities, equities, hedge funds, exchange-traded funds (including exchange-traded funds in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities. ChangePath may use other securities as well to help diversify a portfolio when applicable.

***C. Client Tailored Services & Client Imposed Restrictions***

ChangePath offers the same suite of services to all its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Proposal and Risk Tolerance Questionnaire which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. To implement such restrictions, the client must inform his or her IAR of the restrictions in writing. If, for any reason, ChangePath is unable to meet the client restrictions, the firm will notify the client. If the restrictions prevent ChangePath from properly servicing the client account, or if the restrictions would require ChangePath to deviate from its standard suite of services, ChangePath reserves the right to end the relationship.

***D. Wrap Fee Programs***

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. ChangePath does not participate in any wrap fee programs.

**E. Assets Under Management**

ChangePath has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Calculated As Of:</b>
\$802,446,319.00	\$0.00	December 31, 2019

**Item 5 - Fees and Compensation**

Fees paid to ChangePath are for ChangePath Advisory Services and for referring clients to third-party firms (i.e., "solicitation fees"). The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. ChangePath charges fees based on the particular types of Advisory Services to be provided. The specific fees charged by ChangePath for its Advisory Services will be in each client's written agreement with the firm. Although ChangePath believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

**A. Description of Fees****Asset Management Fees**

Generally, fees are negotiable and are signed and agreed to in the fee schedule attached as Schedule A of the Client Discretionary Investment Management Agreement. IARs of ChangePath may recommend strategies outside the ChangePath Platform. The Adviser's Fee is composed of, but is not limited to (i) an initial analysis and periodic re-evaluation of the client's investment objectives and needs, and discretionary allocation among portfolio managers, (ii) all advisory services, including fees of portfolio managers, (iii) ChangePath Platform, including client portal, account aggregation, reporting statistics, and secure document storage vault.

ChangePath's IARs may negotiate the fee with each Client for many of the programs, including those noted above in Item 4. Thus, fees will vary from client to client and may be higher than obtainable from other advisers providing similar services, including ChangePath itself. The range of fees for various programs utilized by ChangePath differ but usually range between .25% - 2.25%. Under no circumstance shall a client be assessed a total annual fee greater than 2.25%.

Fees are deducted from the client's account. Any prepaid unearned fee is prorated and returned to the client. Clients should also be aware that, absent transaction charges, total fees exceeding 2% per year are generally considered higher than those charged by other comparable programs available to a client.

From time to time, the fee deducted from the client's brokerage account as illustrated on the statement may differ from a manual calculation of the monthly fee based on the same account value. There are a number of reasons why this may occur, namely ChangePath includes accrued interest in our billable value, but not accrued dividends; custodial statements use settlement date valuation instead of trade date valuation; the custodial statement does not include all transactions that occurred towards the end of the month such as pending trade settlements; and inflow and outflows of assets during the time period. More information about such billing discrepancies is available upon request. Each quarter, ChangePath reviews a sampling of its calculation of fees and compares it to the balance that appears on the custodial statement. Any discrepancies are investigated and documented. Clients are encouraged to closely review their custodial statements for accuracy.

The services, reports, and contract termination provisions provided by these programs vary as do the costs. Clients are encouraged to obtain and carefully review the contracts and disclosure documents of the third-party manager and/or program sponsor whose services they are considering, including Part 2A of Form ADV, so they understand fully the services being provided

and fees being charged. Clients are also encouraged to compare programs or similar services offered by other investment advisers.

**Negotiated Rate to Client**

As stated within Schedule A of the Client Discretionary Investment Management Agreement, Client rates may be negotiated between ChangePath and the Client. The negotiated rate is billed monthly or quarterly in arrears or in advance for services rendered, as negotiated with the Client. Fees for partial periods are prorated based on the number of days the account was serviced during the applicable period. Clients may terminate the agreement without penalty for a refund of unearned ChangePath's fees within five business days of signing the Client Discretionary Investment Management Agreement. Thereafter, clients may terminate the Client Discretionary Investment Management Agreement generally with 30 days' written notice. Termination of this Agreement will not affect (a) the validity of any action previously taken by ChangePath and third-party investment advisers under the agreement; (b) the liabilities or obligations of the parties with respect to transactions initiated before termination of the agreement; or (c) Client's obligation to pay the negotiated rate (prorated through the date of termination).

In addition to the asset management fee, there may be transaction, commission, administrative, servicing and other fees charged by the Custodian. IRA accounts may be charged custodial or other service fees. If your account is invested in mutual funds, the mutual fund company may assess administrative charges against your investment in that fund. These fees are not charged by ChangePath, but rather by the product sponsor, brokerage firm, or custodian firm. In the normal course of effecting transactions, prices for certain trades made on behalf of your account may include mark-ups, mark-downs and spread differentials.

**Selection of Other Advisers Fees**

ChangePath will be compensated via a fee share from the advisers to which it directs those clients. This relationship, commonly referred to as a Solicitor relationship, will be memorialized in each contract between ChangePath and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency.

These fees are negotiable, and this service may be cancelled with 30 days' notice. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected. ChangePath's program fee is based on the fair market value of the managed assets as determined on the last business day of the applicable month.

Whenever ChangePath refers any clients to a third-party adviser, it will provide the client with a current copy of the third-party investment adviser's written disclosure statement and a separate written disclosure document identifying the ChangePath as the solicitor, the name of the investment adviser, the nature of the relationship between ChangePath and the investment adviser, the terms of the compensation arrangement, and the amount charged to the client in addition to the advisory fee as a result of the solicitation activity.

**Sub-adviser Services Fees**

ChangePath may also act as a sub-adviser to unaffiliated third-party advisers. ChangePath would receive a share of the fees collected from the third-party adviser's client. In the event a sub-adviser selects ChangePath's investment models, the fees are negotiated between the investment advisers and clients. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for sub-adviser services will depend on the specific third-party investment adviser engaging ChangePath as sub-adviser. This relationship will be memorialized in each contract between ChangePath and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

**Financial Planning Services Fees**

As mentioned under Advisory Services Offered, ChangePath also offers comprehensive financial planning services for individuals, families and businesses. Fees charged for Financial Planning are



negotiable and are based on a fixed-fee per project basis, or on an hourly fee basis. The hourly rate ranges from \$100 - \$250 per hour and the fixed fee ranges from \$300 to \$10,000, depending on the complexity and nature of the project. The hourly rate may be negotiated. There is a minimum fixed fee of \$300.

Hourly rates and total fees are determined by each ChangePath IAR estimating the complexity of the client's circumstances, the level of skill required to perform the service, and the amount of time that will be required to perform research, analysis, and plan preparation. The estimated fee is disclosed to the client prior to contract signing.

The hourly or fixed fee is dependent upon the nature and scope of the advice requested by the client, nature and number of investments in a client's portfolio, amount and nature of research required to complete the project and the scope and number of reports requested by a client.

The fees described above may change based on special situations such as an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning, or more detailed reporting. Before such a change may be made, the client is given 30 days prior written notice. Financial Planning projects will be completed within 6 months of signing the Agreement.

Fees do not include product transaction commissions, or the fees for third-party professional services, e.g., investment managers, attorneys, accountants or other third parties.

## **B. Payment of Fees**

### ***Payment of Asset Management Fees***

Asset management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis or quarterly basis. Generally, asset management fees are paid in arrears; however, the aforementioned fees may be charged quarterly in advance for certain Clients. Furthermore, fees are negotiable with each of ChangePath's Clients until signed and agreed to in the final fee schedule attached as Schedule A of the Client Discretionary Investment Management Agreement.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and the arrangement between the third-party adviser and ChangePath pursuant to § 275.206(4)-3.

### ***Payment of Sub-Adviser Fees***

Fees for ChangePath's sub-advisory services fees will be withdrawn from clients' accounts, as disclosed in each contract between the third-party adviser and the Client

### ***Payment of Financial Planning Fees***

The fee is payable directly by a client and not deducted from the client's account. Payment arrangements are established in the Financial Planning Services Agreement. The fee may be waived in whole or in part by the IAR or ChangePath at their sole discretion. Each client retains the right to terminate the Financial Planning Services Agreement with ChangePath at any time, in writing and without prior notice, for any reason. ChangePath retains the right to terminate any engagement at any time, for any reason, by giving 10 days' written notice. Any unearned pre-paid fee is returned to the client upon termination. When calculating any refund, a rate of \$150 per hour shall apply to work already performed on a fixed fee basis.

## **C. Client Responsibility for Third-Party Fees**

All fees paid to ChangePath for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange-traded funds, variable annuities, and other

investment advisers, broker/dealers and custodians retained by clients, if any. Such fees and expenses are described in each mutual fund's and variable annuity's prospectus, each third-party investment adviser's Form ADV Part 2A, Wrap Brochure or similar disclosure statement, and by any broker/dealer or custodian retained by a client. Refer to the mutual fund or variable annuity prospectus for a complete description of fees and services.

Certain exchange-traded funds pay advisory fees to their investment advisers, which reduces the net asset value of the fund. Some exchange-traded funds are organized as unit investment trusts and do not have an investment adviser. However, all exchange-traded funds do incur expenses related to their management and administration that are analogous to an investment adviser's management fee. These expenses affect the value of the investment.

Furthermore, clients will incur brokerage commissions and other execution costs charged by the custodian or executing broker/dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account. Please refer to the Brokerage Practices section of this Brochure for additional important information about the brokerage and transactional practices of ChangePath. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by ChangePath to fully understand the total fees to be paid.

Additionally, Non-Managed Accounts (i.e., "reporting only" accounts for which ChangePath only provides advice but no active management) will be charged a \$6.25 flat fee per month, per non-managed account. At ChangePath's discretion, this flat "reporting only" fee may be waived. These fees will be deducted automatically from the client's other ChangePath accounts and shall be used by ChangePath to utilize software allowing the firm and its IARs to consolidate all accounts through a portfolio accounting system and create consolidated, on-demand performance reports.

#### ***D. Prepayment of Fees***

##### ***Asset Management Fees***

ChangePath usually bills its investment management fees monthly in arrears based upon fair market value of the managed assets as determined on the last business day of the applicable month. However, ChangePath may, from time to time, bill its investment management fees monthly or quarterly in advance for services rendered, as negotiated with the client. Fees for partial periods are prorated based on the number of days the account was serviced.

##### ***Financial Planning Service Fees***

Any unearned pre-paid fee is returned to the client upon termination. When calculating any refund, a rate of \$150 per hour shall apply to work already performed on a fixed fee basis. In no instance will Clients pay six (6) months or more in advance before receiving a financial plan.

#### ***E. Outside Compensation for the Sale of Securities to Clients***

Certain supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Further information regarding the aforementioned arrangement can be found in Item 10, located below.

#### **Item 6 - Performance Fees**

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ChangePath does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client's account.

**Item 7 - Types of Clients**

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ChangePath mainly provides advisory services to individuals, high-net-worth individuals, and third-party investment advisers. However, ChangePath does have small numbers of other types of clients, including corporations and other businesses, non-profits, and some 401(k), 403(b), and other employer-sponsored retirement accounts. ChangePath may from time to time provide advisory services to other types of clients.

**Item 8 - Methods of Analysis, Investment Strategies, Risk of Loss**

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Investing in securities involves a significant risk of loss. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There is no assurance that a positive return will be obtained in any managed investment account program. Neither ChangePath nor any selected third-party investment advisers guarantee the performance of the account, or promise any specific level of performance, or promise that investment decisions, strategies or overall management of the account will be successful. ChangePath does not represent, guarantee or imply that the services or methods of analysis employed by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Investment decisions are subject to various market, currency, economic, political, interest rate and business risks, will not necessarily be profitable, and are subject to investment risk, including possible loss of principal.

**A. Methods of Analysis and Investment Strategies****Methods of Analysis**

ChangePath's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. ChangePath uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**B. Material Risks Involved**

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although ChangePath will seek to select only money managers who will invest clients' assets with the highest level of integrity, ChangePath's selection process cannot ensure that money managers will perform as desired and ChangePath will have no control over the day-to-day operations of any of its selected money managers. ChangePath would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift," regulatory breaches, or fraud.

***Investing in securities involves a risk of loss that you should be prepared to bear.***

### **C. Risks of Specific Securities Utilized**

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the most well-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both

issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Fund (“ETF”):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (i) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (ii) a significant increase in hedging activities by producers of gold or other precious metals, (iii) a significant change in the attitude of speculators and investors. Information on a specific ETF risk and its policies regarding the above topics can be found in its prospectus and Statement of Additional Information. Clients are encouraged to review the prospectus before investing.

**Real Estate** funds (including REITs) 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.

**Annuities** are a product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do. ChangePath does not sell fixed, equity indexed, or variable annuities. However, as described in Item 10, most of ChangePath’s IARs are licensed insurance agents and may recommend or include annuities as part of the client’s investment strategy.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

### **Cybersecurity Risk**

Investment advisers and their service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally (including, for example, through cyber-attacks known as “phishing” and “spear-phishing”), denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Cyber-attacks may interfere with the processing of transactions, cause the release of private information or confidential information of ChangePath, cause reputational damage, and subject ChangePath to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. While ChangePath has established business continuity plans and systems designed to prevent such cyber-attacks, there are limitations in such plans including the possibility that certain risks have not been identified.

***Past performance is not indicative of future results. Investing in securities involves a risk that you, as a client, should be prepared to bear.***

### **Item 9 - Disciplinary Information**

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Firms are required to report any legal or disciplinary events that are material to a client's evaluation of our advisory business and the integrity of our management. There are no required disclosures in relation to ChangePath and its management team.

Disclosure information specific to your investment adviser representative (if applicable) can be found on their supplemental ADV 2B and is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### **Item 10 - Other Financial Industry Activities and Affiliations**

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IARs of ChangePath may also be registered representatives and/or agents of an affiliated or non-affiliated firm such as a broker/dealer or insurance agency, engaging in the business of selling life, health, long-term care, disability and annuity insurance products as well as securities. As registered representatives, IARs may receive separate compensation in the form of commissions for the purchase of securities through their affiliated broker/dealer as well as for the sale of insurance products.

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

ChangePath is not registered as or have pending applications to become a broker/dealer. ChangePath's CCO is a registered representative of an affiliated broker/dealer.

#### **Affiliation with ClientOne Securities, LLC.**

ChangePath is under common ownership with a registered broker/dealer, ClientOne Securities, LLC ("CIS"). ChangePath and CIS are both owned by CM2 Holdings Company, Inc.

ChangePath IARs may be licensed to sell securities in the capacity as registered representatives with CIS. ChangePath IARs, acting in their separate capacities as registered representatives of CIS, may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, alternative investments, and variable annuity and variable life products to advisory clients. As such, these ChangePath IARs may suggest that advisory clients implement investment advice by purchasing securities products through a commission based CIS account in addition to an advisory account. In the event investment advisory clients elect to purchase these products through CIS, CIS and the client's ChangePath IAR, in the capacity as CIS registered representative, will receive the normal and customary commission compensation in connection with the specific product purchased. ChangePath does not require its ChangePath IARs to encourage clients to implement investment advice through CIS. Clients of ChangePath are free to implement investment advice through any broker/dealer or product sponsor they may select. ChangePath and CIS are also located within the same building complex. However, clients should understand that, due to certain regulatory constraints, a ChangePath IAR, when operating in his or her capacity as a CIS registered representative, must place all purchases and sales of securities products in commission based brokerage accounts through CIS or other CIS approved institutions.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither ChangePath nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser or an associated person of the foregoing entities.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**



***Affiliation with CreativeOne, LLC and Insurance Activities***

ChangePath is under common ownership with CreativeOne, LLC ("CI"), a licensed insurance agency. ChangePath and CI are owned by CM2 Holding Company, Inc.

ChangePath IARs may be licensed life insurance agents with CI or other insurance agencies and may sell insurance products to ChangePath's advisory clients. Therefore, the client's ChangePath IAR, in the capacity as a licensed insurance agent, is able to implement insurance recommendations for advisory clients electing to receive this service. The determination of whether or not an insurance product is included within a client's financial plan is solely in the discretion of the investment adviser representative. In this event, ChangePath IARs, in their separate capacities as licensed insurance agents, will receive separate and typical commission compensation for insurance and/or annuity sales. ChangePath and CI are located within the same building complex. There is a conflict of interest present in that the ChangePath IAR has an incentive to recommend insurance products to be purchased through the ChangePath IAR thus increasing the compensation earned by the ChangePath IAR. Clients of ChangePath are not obligated in any manner to utilize the insurance services provided by ChangePath IARs.

ChangePath does retain an exclusive relationship with CI for the sale of annuities offered, as determined by the risk tolerance questionnaire taken by the client, within the portfolio by means of systematic integration. The inclusion of a fixed indexed annuity is left to the discretion of both the client and IAR and is enabled as an option within the portfolio by way of a proprietary algorithm that determines an optimal dollar amount for each individual client. ChangePath's clients are not obligated in any manner to use the insurance services provided by ChangePath IARs, nor selection of any insurance product allocation determined by ChangePath's investment platform.

***D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

ChangePath has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. ChangePath will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between ChangePath and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that ChangePath has an incentive to direct clients to the third-party investment advisers that provide ChangePath with a larger fee split. ChangePath will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. ChangePath will ensure that all recommended advisers are licensed or notice filed in the states in which the clients ChangePath is recommending are residents.

***Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading***

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In accordance with SEC Rule 204a-1 of the Investment Advisers Act of 1940, ChangePath maintains and enforces a Code of Ethics. The Code requires employees, including investment adviser representatives, report all securities holdings and transactions to the firm's CCO. The Code contains requirements regarding compliance with all Laws, Rules and Regulations, and it contains provisions for reporting violations of the Code to ChangePath CCO. All ChangePath investment adviser representatives are expected to be honest and ethical, make full and accurate disclosures, remain in compliance with all applicable rules and regulations, and be accountable for what they do.

ChangePath and its IARs act as fiduciaries for their clients. They have a fundamental obligation to act in the best interest of their clients and to provide investment advice in the clients' best interest. They owe their clients a duty of undivided loyalty and utmost good faith. They should

not engage in any activity in conflict with the interest of any client, and they should take steps reasonably necessary to fulfil these obligations. ChangePath and its IARs must employ reasonable care to avoid misleading clients and must provide full and fair disclosure of all material facts to their clients and prospective clients. Generally, facts are “material” if a reasonable investor would consider them to be important. They must eliminate, or at least disclose, all conflicts of interest that might incline them – consciously or unconsciously – to render advice that is not disinterested. If they do not avoid a conflict of interest that could impact the impartiality of their advice, they must make full and frank disclosure of the conflict. ChangePath and its IAR cannot use their clients’ assets for their own benefit or the benefit of other clients. Departure from this fiduciary standard may constitute “fraud” upon their clients under the Investment Advisers Act.

#### **A. Code of Ethics**

ChangePath has a written Code of Ethics that covers the following areas: Oversight of Code of Ethics, Gifts and Entertainment, Anti-Bribery Policy and Procedures, Political Contributions and Pay to Play, Employee Investment Policy, Reporting of Employee Holdings and Transactions, Preclearance of Trades, Outside Business Activities, and Insider Trading. ChangePath's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

ChangePath does not recommend that clients buy or sell any security in which a related person to ChangePath or ChangePath has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of ChangePath may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of ChangePath to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest. ChangePath will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client’s disadvantage when similar securities are being bought or sold. ChangePath utilizes block trading when possible to mitigate this conflict.

#### **D. Trading Securities At/Around the Same Time as Clients’ Securities**

From time to time, representatives of ChangePath may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of ChangePath to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest; however, ChangePath will never engage in trading that operates to the client’s disadvantage if representatives of ChangePath buy or sell securities at or around the same time as clients. ChangePath utilizes block trading when possible to mitigate this conflict.

***To review a copy of ChangePath’s Code of Ethics, please make a written request to your investment adviser representative or contact the ChangePath CCO at (913) 402-2175***

### **Item 12 - Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on ChangePath’s duty to seek “best execution,” which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and ChangePath may also consider the



market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in ChangePath's research efforts. ChangePath will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

ChangePath will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc. or TD Ameritrade Institutional, Inc.

***Research and Other Soft-Dollar Benefits***

While ChangePath has no formal soft dollar's program in which soft dollars are used to pay for third party services, ChangePath may receive select consulting services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Said consulting services have included benchmarked studies of our firm's growth, cybersecurity assessments and consultations, and advice on firm acquisitions and mergers. There can be no assurance that any particular client will benefit from soft dollar benefits, whether or not the client's transactions paid for it, and ChangePath does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. ChangePath benefits by not having to produce or pay for the services, and ChangePath will have an incentive to recommend a broker-dealer based on receiving such services.

***Brokerage for Client Referrals***

ChangePath receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

***Clients Directing Which Broker/Dealer/Custodian to Use***

ChangePath will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

***B. Aggregating (Block) Trading for Multiple Client Accounts***

If ChangePath buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, ChangePath would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. ChangePath would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

**Item 13 - Review of Accounts**

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***A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

A client's accounts for ChangePath's advisory services are reviewed by the IARs servicing the client on a periodic and ongoing basis with regard to the client's respective investment policies and risk tolerance levels.

***B. Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by, but is not limited to, material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). The client is encouraged to notify ChangePath or their investment adviser representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

**C. Content and Frequency of Regular Reports Provided to Clients**

Each client of ChangePath's advisory services will receive an ongoing quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

**Item 14 - Client Referrals and Other Compensation**

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**A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

ChangePath accepts compensation for providing client referrals. ChangePath will fully disclose to clients the details of any referral relationships.

Additionally, as described in Item 10: Other Financial Industry Activities and Affiliations above, Principals and IARs of ChangePath may receive compensation from other affiliates or non-affiliates. Such compensation shall only be received in conjunction with those services provided to such affiliates or non-affiliates.

**B. Compensation to Non – Advisory Personnel for Client Referrals**

ChangePath enters into written arrangements with third parties to act as solicitors for ChangePath's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. In the instance where ChangePath receives a client referral from a solicitor, ChangePath will pay a cash referral fee to the solicitor based upon a percentage of the client's negotiated fee received from that particular client. ChangePath will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Under these circumstances, ChangePath will enter into a solicitor's agreement with the other party. All such agreements will be in writing and comply with the applicable state and federal regulations. While the specific terms of each agreement may differ, the compensation will generally be based upon a varying percentage of the assets under management by the client, which shall be paid by the adviser until the account is closed by written authorization from the client. Any such fee shall not result in any additional charge to the client.

Each prospective client who is referred under such an arrangement will receive a copy of applicable adviser's Form ADV Part 2A and a separate written disclosure document disclosing the nature of the relationship between the solicitor and the adviser and the amount of compensation that will be paid to the third-party solicitor, which must be acknowledged in writing by the solicited client.

**Item 15 - Custody**

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ChangePath uses an independent third-party custodian to hold all client securities and assets. When advisory fees are deducted directly from client accounts, ChangePath will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices (if applicable), and they should carefully review those account statements for accuracy.

**Item 16 - Investment Discretion**

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ChangePath and its IARs have discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. These purchases or sales may be subject to specified investment objectives, guidelines, or

limitations previously set forth by the client and agreed to by ChangePath.

The granting of discretionary authority will be evidenced by the client's execution of an Investment Management Agreement, containing all applicable limitations to such authority. All discretionary trades executed by ChangePath will be in accordance with each client's investment objectives and goals.

### **Item 17 - Voting Client Securities**

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ChangePath will not vote proxies on behalf of our advisory accounts. At the client's request, we may offer advice regarding corporate actions and the exercise of client proxy voting rights. If a client owns shares of applicable securities, that client is responsible for exercising the right to vote as a shareholder. In most cases, the client will receive proxy materials directly from the account custodian.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. ChangePath cannot give any advice or take action with respect to the voting of these proxies.

### **Item 18 - Financial Information**

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#### **A. Balance Sheet**

ChangePath neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither ChangePath nor its management has any financial condition that is likely to reasonably impair ChangePath's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

ChangePath has not been the subject of a bankruptcy petition in the last ten years.