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Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure

March 30, 2020

This wrap fee program brochure provides information about the qualifications and business practices of Ballast Advisors, LLC (hereinafter "Ballast Advisors" or the "Firm").

If you have any questions about the contents of this brochure, please contact Ballast at Richard Gerczak at (651) 200-3110 or email rgerczak@ballastadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov.

Ballast Advisors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Ballast is also available on the SEC's website at www.adviserinfo.sec.gov. You can view information on this website by searching the Firm's name or by its CRD number, 285991.

Item 2. Material Changes

This Wrap Fee Program Brochure dated March 30, 2020, replaces the version dated March 12, 2019.

This item discusses only the material changes that have been made to the brochure since the last annual amendment.

- There have been no material changes to the Firm's Wrap Fee Program Brochure since the last annual amendment.

Ballast Advisors may, at any time, update this Wrap Fee Program Brochure and either: (1) send you a copy without charge; or (2) provide a summary of the material changes and offer to send you a copy of this Wrap Fee Brochure without charge, provided the offer is accompanied by certain contact information.

Pursuant to SEC Rules, the Firm will ensure that you receive a summary of any materials changes to this and subsequent Wrap Fee Brochures within 120 days of the close of our business' fiscal year. Ballast Advisors may further provide other ongoing disclosure information about material changes as necessary.

A copy of this Wrap Fee brochure may be requested, free of charge, by contacting the Chief Compliance Officer, Richard Gerczak at (651) 200-3110 or emailing rgerczak@ballastadvisors.com.

Item 3. Table of Contents

Item 2. Material Changes 2

Item 3. Table of Contents 4

Item 4. Advisory Business..... 5

Item 5. Account Requirements and Types of Clients 10

Item 6. Portfolio manager Selection and Evaluation..... 13

Item 7. Client Information Provided to Portfolio Managers 20

Item 8. Client Contact with Portfolio Managers..... 21

Item 9. Additional Information 22

Item 4. Services, Fees, and Compensation

Advisory Firm Description

The Ballast Advisors Wrap Fee Program (the “Program”) is an investment advisory program sponsored by Ballast Advisors. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Prior to Ballast Advisors rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Ballast Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

For more detailed information on the types of advisory services Ballast Advisors provides, please see Item 4 of our Firm’s ADV Part 2A Brochure. A copy of our Firm Brochure may be requested, free of charge, by contacting the Chief Compliance Officer, Richard Gerczak at (651) 200-3110 or emailing rgerczak@ballastadvisors.com.

Description of the Program

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services (“Schwab”), or another broker-dealer that Ballast Advisors approves under the Program (collectively “Financial Institutions”).

After an analysis of a client’s investment needs, Ballast Advisors assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary or non-discretionary basis by either Ballast Advisors’ investment adviser representatives or an independent investment manager (collectively “Independent

Managers”), as recommended or selected by Ballast Advisors. Ballast Advisors and/or the Independent Managers generally allocate clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

Accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately.

Ballast Advisors tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Ballast Advisors consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Ballast Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Ballast Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

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

by the Firm, tax services are provided by a Third Party engaged by Ballast Advisors, or an affiliate of Ballast Advisors, Ballast Tax & Business Services, LLC, or other third party.

Fees for Participation in the Program

The Program is offered on a fee basis, meaning participants pay a single annualized fee based upon assets under management (“Program Fee”).

This Program Fee generally varies between 50 and 200 basis points (0.50% – 2.00%), depending upon the size and composition of a client’s portfolio and the type of services rendered, which may also include the financial planning and consulting services.

The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by Ballast Advisors on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

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

Fee Comparison

As referenced above, a portion of the fees paid to Ballast Advisors are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients’ portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of

comparable investment advisory programs. Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in fewer transactions or transactions that cost less to the Firm (including the use of mutual funds that do not have transaction charges) and to choose Independent Managers whose fees fall outside of the Program Fee.

Fee Discretion

Ballast Advisors, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Other Charges

In addition to the advisory fees paid to Ballast Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges include fees charged by the Independent Managers, reporting charges, margin costs, mark-ups or mark-downs priced in to fixed income products by the broker-dealer, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees related to alternative investments, fees and commissions for assets not held with Schwab (such as 401(k) or 529 plan assets), fees for trades executed away from Schwab (a conflict of interest exists where the firm avoids expenses by trading through a different Financial Institution), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees.

Direct Fee Debit

Clients generally provide Ballast Advisors and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The

Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Ballast Advisors. Alternatively, clients may elect to have Ballast Advisors send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Ballast Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Ballast Advisors, subject to the usual and customary securities settlement procedures. However, Ballast Advisors designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Ballast Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Compensation for Recommending the Program

Ballast Advisors has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

Item 5. Account Requirements and Types of Clients

Ballast Advisors offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement.

Investment Management and Wealth Management Fees

Ballast Advisors offers investment management and wealth management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies between 50 and 200 basis points (0.50% – 2.00%), depending upon the size and composition of a client's portfolio and the amount and type of services rendered.

The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by Ballast Advisors on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

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

Financial Planning and Consulting Fees

Ballast Advisors may charge a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$750 to \$25,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Ballast Advisors may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Ballast Advisors generally requires one-half of the fee (estimated

hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Retirement Plan Consulting Fees

The Firm charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. In those situations where Ballast Advisors has agreed to manage a plan's assets, the Firm also charges an annual asset-based fee between 50 and 200 basis points (0.50% - 2.00%), depending upon, among other things, the amount of assets to be managed.

Fee Discretion

Ballast Advisors may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to Ballast Advisors, 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"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, margin costs, fees charged by the Independent Managers, reporting charges, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients generally provide Ballast Advisors and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The

Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Ballast Advisors. Alternatively, clients may elect to have Ballast Advisors send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Ballast Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Ballast Advisors, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Ballast Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Item 6. Portfolio Manager Selection and Evaluation

Clients' investment portfolios are generally managed directly by Ballast Advisors. Ballast Advisors may also utilize the discretionary investment management services of certain Independent Managers, as referenced above. Where Ballast Advisors provides services outside of the Program, there is no difference in how assets are managed other than those non-wrap clients paying transaction fees separately.

Side-By-Side Management

Ballast Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets). The Firm may, however, have other accounts managed outside of the Program where clients pay directly for transaction charges.

Portfolio Management Services

Methods of Analysis and Investment Strategies

Investing by nature involves exchanging risk for potential reward in varying degrees. In many cases, risk includes a potential loss of principal. Ballast Advisors employs numerous philosophies and strategies in managing investments and their associated risks. Depending on individual client need, the Firm may use any or all of the following methods of analysis:

Technical Analysis

This type of analysis utilizes statistics to determine trends in security prices. Technical analysis tends to focus on factors such as trading volume, demand and security price fluctuations. This type of analysis is also commonly referred to as chart analysis due to the fact that this analysis tends to review various historical charts and graphs.

Behavioral Finance

A field of finance that proposes psychology-based theories to explain stock market anomalies. Within behavioral finance, it is assumed that the information structure and the characteristics of

market participants systematically influence individuals' investment decisions as well as market outcomes.

Fundamental Analysis

This type of analysis concentrates on historical and current data. Earnings, a company's financial statements and the quality of a company's management are examples of such data. These quantitative factors are then used to attempt to determine the financial strength of a company and its financial forecast.

Modern Portfolio Theory (MPT)

MPT assumes that investors are risk adverse, meaning that given two assets 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 returns must accept more risk. Therefore, MPT aims to construct a combination portfolio of assets that has the best possible expected level of return for its level of risk.

Asset Allocation

Research has shown that it is nearly impossible to consistently predict the future direction of a security or of the market in general. As such, it is unlikely that all of a client's investments will "beat the market" consistently. Studies have shown that the selection of investments across asset classes is more contributive to managing portfolio volatility than investments within asset classes.

Strategic Allocation

This strategy involves setting target allocations for various asset classes and rebalancing periodically. The target allocations depend on several factors, such as the investor's risk tolerance, time horizon and investment objectives, and may change over time as these parameters change. Strategic asset allocation is compatible with a buy-and-hold strategy, as opposed to tactical asset allocation that is more suited to an active trading approach.

Every method of analysis has its own inherent risk. To perform an accurate market analysis, the Firm must have access to current/new market information. The Firm has no control over the dissemination rate of market information; therefore, unbeknownst to the Firm, certain analyses may be compiled with outdated market information, severely limiting the value of the Firm's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction

of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Material Risks of Investment Strategies

There can be no guarantee of success of the strategies or services offered by Ballast Advisors. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, foreign currency fluctuations, availability of credit, inflation rates, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of an investment.

Trading in the portfolios may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Management Risks:

Assessments about the value and potential appreciation of a particular security or mutual fund may not be right and there is no guarantee that individual securities or mutual funds will perform as anticipated. The value of an individual security or mutual fund can be more volatile than the market as a whole or our fair value approach may fail to produce the intended results.

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Ballast Advisors' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Ballast Advisors will be able to predict those price movements accurately or capitalize on any such assumptions.

Volatility Risk

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

Margin Risk

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.

Short Selling

Short selling is an investment strategy with a high level of inherent risk. Short selling involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e., Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Material Risks of Securities Used in Investment Strategies

The risk of loss from securities investing is ever present. Ballast Advisors cannot guarantee that the investment strategies implemented on our clients' behalf will meet specific goals and objectives.

Equity-Related Securities and Instruments

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer

and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary

market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, Ballast Advisors may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Ballast Advisors continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Ballast Advisors generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Option Risk

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract.

Cyber Security Risk

Investment advisers, such as Ballast Advisors, and their service providers may be subject to operational and information security risks resulting from cyber attacks. Cyber attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyber attacks affecting investment adviser, a client's custodian, or intermediaries or other third-party service providers may adversely impact a client's experience and/or investment. For instance, cyber attacks may interfere with the processing of client's transactions, cause the release of private information or confidential company information, impede trading, subject the adviser to regulatory fines or financial losses, and cause reputational damage. Ballast Advisors may also incur additional costs for cyber security risk management purposes.

While Ballast Advisors and our service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cyber security attacks, such plans and systems have inherent limitations due in part to the ever-changing nature of technology and cyber security attack tactics, and there is the possibility that certain risks have not been adequately identified or prepared for. Furthermore, Ballast Advisors cannot control any cyber security plans or systems implemented by our service providers.

Item 7. Client Information Provided to Portfolio Managers

In this Item, Ballast Advisors is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. Clients participating in the Program generally grant Ballast Advisors the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Ballast Advisors may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

Item 8. Client Contact with Portfolio Managers

In this Item, Ballast Advisors is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with Ballast Advisors. Clients can generally contact the Independent Managers managing their portfolios through Ballast Advisors by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the client's written request, Ballast Advisors, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

Ballast Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Other Financial Industry Activities and Affiliations

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

Licensed Insurance Agents

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Ballast Advisors recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Related Tax Preparation and Business Services Firm

Ballast Advisors does not render accounting services to clients. One of the Firm's Principals, Paul Parnell, has ownership in Ballast Tax & Business Services LLC. In the event a client requires accounting services, the firm may recommend Ballast Tax & Business Services LLC. These services are rendered independent of Ballast Advisors and pursuant to a separate agreement between the client and the accounting firm. The Firm does not receive any portion of the fees paid by the client to Ballast Tax & Business Services LLC and does not receive a referral fee in connection with the accounting services provided by Ballast Tax & Business Services LLC. However, Mr. Parnell is entitled to receive distributions relative to his ownership interest in Ballast Tax & Business Services LLC. In addition, the Firm may provide tax services (including tax planning and preparation) as part of an engagement with clients. Unless Ballast Advisors provides the services directly, the Firm can engage a third party and may engage Ballast Tax & Business Services LLC for these services. Because of Mr. Parnell's relationship with Ballast Tax

& Business Services LLC, there exists a conflict of interest to the extent that the Firm recommends, or engages, the accounting services of Ballast Tax & Business Services LLC.

Code of Ethics

Ballast Advisors has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Ballast Advisors’ Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Ballast Advisors’ personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit,

commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Ballast Advisors to request a copy of its Code of Ethics.

Account Reviews

The Firm's investment adviser representatives will regularly monitor client portfolios, and portfolios will be rebalanced as needed. Clients will have contact with their investment adviser representative regarding their portfolio at least annually. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Ballast Advisors and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and General Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Ballast Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Ballast Advisors or an outside service provider.

Client Referrals

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

Other Compensation

Receipt of Economic Benefit and Brokerage Practices

Ballast Advisors requires that clients utilize the custody, brokerage and clearing services of Schwab for investment management accounts in the Program.

Factors which Ballast Advisors considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Ballast Advisors does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

In seeking best execution in recommending Schwab, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Ballast Advisors in its investment decision-making process. The receipt of investment research products and/or services poses a conflict of interest because Ballast Advisors does not have to produce or pay for the products or services.

Ballast Advisors may receive without cost from Schwab computer software and related systems support, which allow Ballast Advisors to better monitor client accounts maintained at Schwab. Ballast Advisors may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Ballast Advisors, but not its clients directly. In fulfilling its duties to its clients, Ballast Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Ballast Advisors' receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, Ballast Advisors may receive the following benefits from Schwab:

- Services intended to help manage and further develop the Firm's business enterprise, including (but not limited to) professional consulting services, publications and

conferences, and employee benefits providers, or credits to be used toward qualifying third party service providers offering the same;

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information;
- Access to educational events organized and/or sponsored by Schwab and occasional business entertainment by Schwab personnel, including (but not limited to) meals and invitations to sporting events.

Trade Aggregation and Prime Brokerage

Transactions for each client generally will be affected independently, unless Ballast Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Ballast Advisors may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the Firm’s clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Ballast Advisors’ clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Ballast Advisors’ Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Ballast Advisors does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;

(ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement. Any additional fees charged for prime brokerage relationships is included in the Program Fee.

Trade Errors

Errors in executing client transactions may occur from time to time which we will seek to correct on a timely basis so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the corrections of such errors will be borne by us or by your broker/custodian while any market gains resulting from the correction of such errors will usually be retained by your broker/custodian or you.

Financial Information

Ballast Advisors is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and

- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.