

DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1
Part 2A of Form ADV: Firm Brochure

ANDINA

CAPITAL MANAGEMENT

SEC File #:801-80633
Firm IARD/CRD #: 151762

Andina Capital, LLC
REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Andina Capital Management, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is

listed to the right. Additional information about Andina Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Andina Capital Management, LLC has attained a certain level of skill or training.

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BROCHURE
DATED

22
MARCH
2020

MATERIAL CHANGES

ITEM 2

Below are the material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.

- The firm has updated their contact information (Front Page)
- Andina Absolute Return Fund, LP has been removed.
- Andina Alternative Asset Fund LP has been removed.
- New funds have been added under Financial Industry Affiliation and Private Investment Fund Affiliation.

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BROCHURE SUPPLEMENTS

ADVISORY BUSINESS

ITEM 4

Who We Are?

Andina Capital Management, LLC (hereinafter referred to as “Andina,” “we,” “us” and “our”) is a registered investment advisor¹, organized in 2009 as a Utah Limited Liability Company to offer wealth management services² designed to assist you, our client³, achieve the financial stability, security, and the financial independence you desire.

Our Mission

Our mission is to **passionately serve our clients** by partnering with them to identify and realize the vision of their ideal future. We strive to enrich lives through objective advice, vision, and coordination. Our personalized services help families perpetuate their legacy and values through education and wealth stewardship principles.

As your advocate, we will do everything in our power to **keep you focused** on where you want to go, **offer advice** on how best to get there, and continually remind you of the importance of being **financially disciplined** as you dare greatly in a worthy cause.

Owners

The following persons control Andina:

Name	Title	CRD#
Eric S. Barlow	Managing Member	2243431
J. Brett Belliston	Managing Member & Chief Compliance Officer	2402952

Assets Under Management

We offer two (2) types of investment management: Portfolio Management and Portfolio Monitoring. All Portfolio Management accounts are managed on a discretionary basis - we do not manage accounts on a non-discretionary basis. Portfolio Monitoring accounts are managed by independent third-party money managers (“Portfolio Managers”)⁴ where we will evaluate their performance and suggest changes if they are not effectively meeting your investment needs.

¹ The term “registered investment advisor” is not intended to imply that Andina Capital Management, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

² Andina Capital Management, LLC is a fiduciary, as defined within the meaning of the Employer Retirement Income Security Act of 1974 (“ERISA”) and/or as defined under the Internal Revenue Code of 1986 (the “Code”) for any wealth management services provided to a client who is: (i) a plan participant or beneficiary of a retirement plan subject to ERISA or as described under the Code; or, (ii) the beneficial owner of an Individual Retirement Account (“IRA”).

³ A client could be high-net-worth individuals and their family members, a family office, a foundation or endowment, a charitable organization, a private investment fund, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary, a retirement plan, or any other type of entity to which we choose to give investment advice.

⁴ Portfolio assets managed by Portfolio Managers are not included in our “Regulatory Assets Under Management” calculation in our Form ADV Part 1A, Item 5.F unless we have discretionary authority to hire and fire Portfolio Managers and reallocate your assets without your prior consent. Therefore, the discretionary and non-discretionary totals disclosed in this Disclosure Brochure may not always match what is reported in our ADV Part 1A.

As of December 31, 2019, our assets under management totaled:

Discretionary Managed Accounts	\$82,931,266
Non-Discretionary Accounts	\$164,091,871

What We Do

We provide **financial solutions** that stress the importance of you making fiscally responsible decisions and disciplined economic choices and how to manage the complexities that wealth creates using estate planning, risk management, investment, and tax planning strategies, and philanthropy giving to preserve assets for **today's needs, tomorrow's dreams**, and a strategy to build a **lasting legacy** for future generations.

The focus of all our investment advice begins with a plan to identify your standards of living and quality of life expectations. We will accomplish this through an initial discovery meeting where we will review the financial documents you brought for discussion. Together questions will be asked, information shared, and an evaluation made as to whether we should move to the next step. During the meeting, we will:

- ❖ Learn about your core values and guiding principles
- ❖ Seek to understand your financial concerns and how you have been addressing them
- ❖ Discover your financial objectives and what success looks like for you
- ❖ Create an internal profile consisting of your concerns, objectives, relationships, values, interests, assets, professional advisors and process preferences

Moving forward from the discovery meeting, should you choose to engage us for our wealth management services, we will begin the process of identifying your life goals (i.e., core values, family, monetary needs, future plans, etc.). The best advice we could offer you is that success, achievement, and contentment in life have little to do with personal wealth but are instead related to your life goals. We will make every effort to embrace these life goals and develop economical solutions that reflect how **you** define true wealth -- not us. Our services include:

Estate, Financial & Tax Planning

Planning is one of the most important tools successful people use to bridge unexpected events to create an extraordinary personal life, business career, and the security needed in their retirement years. However, such planning requires a lifetime commitment, not only from you but from us as well, your Financial Planner.

Being Fiscally Responsible

Planning for your future, whether estate, financial, and/or tax planning, is being fiscally responsible. A well-designed plan is a step-by-step process intended to identify and clarify purpose, personal and family core values, needs, and priorities to align your financial decisions with your goals in all areas of your life and business. Planning includes:

1. Arriving at a series of decisions and action items based on current and future financial circumstances and defined goals and objectives;
2. Projecting the consequences of these decisions for you in the form of an economic plan - **a working blueprint**; and,
3. Implementing the protocols outlined in the plan to achieve the plan objectives.

Once complete, the plan, or working blueprint, become the benchmark that is used to help us evaluate where you are in achieving your financial goals, needs, and objectives.

Estate, Financial & Tax Planning Composition

All forms of planning are a mutually defined review, analysis and evaluation of your personal financial needs and goals. In general, planning may encompass one or more of the following areas of financial need as communicated by you:

- ❖ Identify and clarify personal and family core values, mission, vision, and goals.
 - ❖ Preparation of the financial plan, which encompasses your:
 - ☐ Current financial situation.
 - ☐ Liquidity and asset preservation needs.
 - ☐ Wealth accumulation and growth.
 - ☐ Wealth distribution and transfer.
- More specifically planning may include, but is not limited to, the following modules:
- ☐ Financial Statements - Cash Flow and Balance Sheet.
 - ☐ Savings and Emergency Reserves.
 - ☐ Asset Allocation and Investment Portfolio Analysis.
 - ☐ Potential Income Tax consequences in collaboration with your tax advisor.
 - ☐ Risk Management and Insurance Analysis.
 - ☐ Retirement and Income Analysis.
 - ☐ Long-Term Healthcare.
 - ☐ Estate and Family Legacy Planning.
 - ☐ Business Succession Planning.
 - ❖ Outline of recommendations, strategies, solutions, and resources.
 - ❖ Prioritizing and implementing the written action plan.
 - ❖ Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
 - ☐ Prepare a professional investment proposal that can include a written Investment Policy Statement (“IPS”), if requested.
 - ☐ Access to our open-architecture platform with a variety of investment management solutions.
 - ❖ Facilitate meetings with you and/or advisors or specialists within our professional network.
 - ❖ Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

Preparing the Estate, Financial & Tax Plan

In the development of your unique plan, we will follow the **six (6) step Financial Planning Practice Standards** process established by the Certified Financial Planner Board of Standards, Inc. These steps are defined as follows:

Step 1: Establish and define the client-planner relationship.

The first step is to conduct an introductory discovery meeting. During this meeting, we will learn about each other and whether we can work together to achieve your financial objectives. We will listen as you share your needs, concerns, priorities, and what success looks like for you. We will in-turn, share how we can help you meet your stated personal and financial objectives, and the responsibilities we have as a fiduciary to guide you on this journey. In the end, we will explain the cost of completing the desired financial planning service for you to decide whether you want to move forward with the next step in the planning process.

Step 2: Gathering client data identifying both financial and personal goals and objectives.

In the second step of the planning process, we learn about you and what you want to achieve. This is accomplished through personal interviews and questionnaires⁵, which are designed to address your unique financial planning needs. You will have the opportunity to prioritize objectives and to remove from the process any areas that do not apply to your circumstances.

The time we invest listening and catering to your wants and needs is critical for developing a strong financial planning foundation.

Step 3: Analyze and evaluate your financial status.

In this third step, we analyze the information you provided to determine your current financial situation and what you should do to meet your goals. Depending on the services you requested, this might include analyzing: (i) your assets, liabilities and cash flow; (ii) your current insurance coverage and investments; and, (iii) your tax strategies and estate planning documents.

Step 4: Develop and present financial planning recommendations and/or alternatives.

Once the analysis has been completed, we begin formally documenting your goals and objectives. We define the plan as a road map (a series of blueprints) designed to take you from where you currently are financially, to where you want to be at some point in the future. This is the **creative portion** of the process. There are usually several ways to accomplish a given goal. The objective, however, is to integrate financial instruments into a plan that you will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help you reconcile the gap between your expectations and your financial realities. Once a viable plan has been drafted, it is presented to you and reviewed. The draft and review process may be repeated until you are satisfied with the financial plan.

This step completes the planning process. There will be additional costs for you to implement your plan under steps 5 and 6. **You have the choice to allow us to implement your financial, tax & estate plan or you can use another outside professional.**

Step 5: Implement the planning recommendations.

An estate, financial and/or tax plan is of limited value if it is not put into action. Accordingly, we assist you in implementing⁶ and monitoring the plan. The action plan schedule provides you with a list of tasks and deadlines designed to ensure that **you put your plan into action**. The following are some examples of implementation:

- ❖ Drafting of appropriate estate documents (performed in conjunction with an estate attorney).
- ❖ Purchase of various insurance policies (provided by our licensed insurance agents or another independent agent of your choice).
- ❖ Investment advisory services that can include preparation of an IPS and implementing your asset allocation strategy (performed by us, or another investment adviser/broker-dealer of your choice).
- ❖ Adopting and monitoring of a personal budget.
- ❖ Ongoing income tax planning (prepared by an independent Certified Public Accountant or tax accountant of your choice).

⁵ The information we gather from you through personal interviews and questionnaires is vital for us to effectively advise you on your unique financial needs and help you plan for your future. Electing to dismiss certain requested documents or respond to questions with limited input can put us at a disadvantage and handicap our ability to successfully meet your financial expectations. Therefore, if you want the best advice we can offer in designing a financial plan or with any portfolio management, you should make every effort to provide us with detailed personal information and be as accurate with your responses as you possibly can.

⁶ Implementing the recommendations made in an estate, financial and/or tax plan often requires consultation or coordination with one or more outside professionals (e.g. attorneys, CPAs, insurance agents, and securities representatives). All personal and private information received from you will be kept entirely confidential, not only by us, but by the outside professionals as well. Your confidential information will be disclosed to third parties only with your consent or as may be permitted or required by law.

Step 6: Monitor the planning recommendations.

Once the plan has been built and the recommendations have been implemented it is critical that these recommendations be monitored on a continuing basis to ensure that they remain consistent with your financial parameters. **Material changes in your personal circumstances, the general economy, changes in the way you want your investments allocated, or tax law changes are some of the reasons why the recommendations should be reviewed periodically and possibly adjusted.** Continued monitoring of established personal budgets and the continued effects of taxation on the plan are assessed regularly at your option per an Annual Review.

For information on our fees for preparing a financial plan, see “Estate, Financial & Tax Planning Fee” under Item 5, “**Fees & Compensation.**”

Investment Management Services

Moving forward from the financial planning session, if you engage us for management services, we will design a portfolio allocation strategy, that can include preparation of an IPS, based on your unique investment parameters and risk tolerance levels

Portfolio Management

Our portfolio management strategies focus on designing a portfolio using a diversified allocation of Investment Company (“mutual funds”) products and/or independent Portfolio Managers to achieve the best return on your investment capital ⁷.

Information regarding our management fee structure is disclosed under “Portfolio Management Fee” in Item 5, “**Fees & Compensation**” and further description of our investment strategies under Item 8, “**Methods of Analysis, Investment Strategies & Risk of Loss.**”

Portfolio Monitoring

Any separate Portfolio Managers we may recommend, manage a portion of your portfolio will implement an investment strategy that correlates best with your investment parameters. Under the arrangements with Portfolio Managers, we are **not involved in the day-to-day management of your portfolio assets**. Our responsibility to both you and the Portfolio Manager we direct to manage your account will be to:

- ❖ Recommend only Portfolio Managers whose investment strategies fit your management criteria and risk tolerance level while ensuring you meet the minimum requirements of the Portfolio Manager to open a managed account;
- ❖ Evaluate the Portfolio Manager’s investment returns and performance expectations;
- ❖ Suggest changes in a Portfolio Manager, if necessary, as market factors and your personal goals dictate;
- ❖ Handle all administrative and clerical duties as may be required by the Portfolio Manager to service your account since they will have little or no direct contact with you.

Additional information about the Portfolio Manager’s fees and how your account will be handled can be found under “Portfolio Monitoring Fee” in Item 5, “**Fees & Compensation**” and how we evaluate Portfolio Managers is also discussed under Item 8, “**Methods of Analysis, Investment Strategies & Risk of Loss.**”

⁷ You may, at any time, impose restrictions in writing on the securities we may recommend (i.e., limit the types/amounts of a particular security purchased for your account, etc.).

FEES & COMPENSATION

ITEM 5

Estate, Financial & Tax Planning Fee

Discovery Meeting

Before our discovery meeting, we will request you bring financial documents for us to review and discuss. The objectives we strive to accomplish with you during this meeting are to:

- ❖ Diagnose your current financial need;
- ❖ Address your financial concerns and answer your questions on how we can assist you;
- ❖ Recommend financial resolutions aimed at lowering costs, reducing risks, increasing expected returns, and/or increasing tax efficiency to improve the likelihood of successfully achieving your goal; and,
- ❖ Explain the benefits of financial planning and how a comprehensive evaluation of wealth management needs is beneficial beyond just managing your investable assets.

We do not charge a fee for the discovery meeting ; we believe our years of experience and knowledge sells itself. If, however, you wish no further interaction with us, you will be responsible for implementing any recommendations coming out of the discovery meeting. Once this meeting is over, our financial collaboration will be concluded, and we are not responsible to implement any further advice or for any on-going supervision, monitoring, and/or reporting.

Planning Engagements

Comprehensive Financial Plans

Comprehensive financial planning is a mutually defined planning project offered on an **hourly rate not to exceed \$ 500 with a maximum fixed fee not to exceed \$200,000** for the initial engagement. The fee will be fully disclosed in a Financial Planning Agreement, which will include the cost⁸ to review your financial information and prepare a comprehensive financial plan. Our preference is **for the fee to be paid in full up-front⁹**; however, we will accept one-half the fee at the time the Agreement is signed with the remaining balance due upon completion of the financial plan.

Fees may be significantly **reduced, or waived, if we are providing you additional services**, such as Portfolio Management.

Modular Plans

If you desire only modular planning - review, analysis and evaluation of a core area of financial need - the fee will be billed at our **hourly rate not to exceed \$500¹⁰**. All fees will be completely itemized in a billing statement to you, or as otherwise predetermined in a proposal, engagement letter and/or by retainer.

⁸ Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merit notifying you of the additional cost prior to beginning such services.

⁹ The recommendations made in a financial plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore, when we refer to the completion of the financial plan, we are referring to us (you and us) finalizing your financial benchmarks/objectives before approaching any outside professional.

¹⁰ For a modular plan, we require a minimum of two hours of time to consult with you on the personal and financial needs you may have.

Annual Review

It is important to note that **planning is dynamic - never static**. It, therefore, must be periodically re-evaluated. A financial plan is a roadmap that is only as good as how well it reflects your current financial position to then guide you on a clear path to a future financial situation. **Changing circumstances in your life often necessitate annual reviews designed to systematically address these unexpected diversions and continually keep you on the right road towards your future financial destination.**

Annual Review

Once the initial comprehensive financial planning service has been completed, we will establish future “Annual Review” dates if you choose to continue as a financial planning client or you are a Portfolio Management client with on-going financial planning services. The Annual Reviews generally occur **after the first anniversary** and will be used to review and make adjustments, if necessary, to the financial plan. Together we will set the calendar dates for your future reviews; inasmuch, an Annual Review may consist of two or three visits during the calendar year.

Annual Review Fee

The annual review fee will generally range from 25% to 40% of the first-year planning fee depending on the length of time since our last review, and on the services you request (i.e., If the first year planning fee was \$10,000, the annual review fee would be from \$2,500 to \$4,000.). However, if you have experienced a significant change in your life circumstances since the date of your previously prepared plan, the fee could be exceedingly higher.

We reserve the option to waive our annual review fee if we are currently managing your investments. If we are not managing your investment portfolio and you want us to review your estate, financial and/or tax plan, we will notify you of the cost to perform the desired work before commencing.

Termination of Financial Planning Services

Comprehensive or Modular Planning Termination

You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in the design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **Once the financial plan has been completed and presented to you, termination of the Financial Planning Agreement is no longer an option.**

Annual Retainer Termination

Annual retainer services can be terminated at any time. The Company will bill you for any services rendered from the date of the last bill up to the date of termination at the fee rate that was agreed to in the proposal, engagement letter and/or retainer agreement.

Portfolio Management Fee

Portfolio management services are provided on an **asset-based fee** arrangement. The management fee will be calculated based on the **aggregate market value** of your portfolio account(s) on the last business day of the previous calendar quarter **multiplied by one-fourth** the corresponding annual percentage rate (i.e., $1.25\%/4 = 0.3125\%$).

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, as your portfolio

value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate Not to Exceed
Asset Mix/Allocation Models	
Up to \$499,999	1.250%
\$500,000 - \$999,999	1.188%
\$1,000,000 - \$2,999,999	1.125%
\$3,000,000 - \$4,999,999	1.063%
\$5,000,000 - \$7,999,999	1.000%
\$8,000,000 - \$10,999,999	0.938%
\$11,000,000 - \$14,999,999	0.813%
\$15,000,000 - \$19,999,999	0.688%
\$20,000,000 - \$39,999,999	0.625%
Over \$40,000,000	Negotiable
Short-Term Cash Management	
All Account Values	0.200%
Consolidated Reporting[†]	
All Account Values	0.15%

[†] Consolidated Reporting is a delivery system whereby statements and other data from multiple sources (i.e., brokerage, IRA, variable annuity accounts, managed accounts, etc.) are collected and consolidated into a single quarterly report for your review and consideration.

We generally require a minimum initial investment of **\$1,000,000** to open a managed account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.

Protocols for Portfolio Management

The following protocols establish how we handle our Portfolio Management accounts and what you should expect when it comes to (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawing funds from your account(s); and (iv) other fees charged to your account(s).

Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions without your prior consent or advice.

You may, at any time, however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

Billing

You will be **billed quarterly in advance** based on the above fee arrangements. For **new managed accounts** opened in mid-quarter, our fee will be based on a pro-rated calculation of your assets to be managed for the current calendar quarter.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

Deposits and Withdrawals

For **existing management accounts**, assets deposited by you into your portfolio management account between billing cycles will **not** result in additional management fees being billed to your account **unless such deposits exceed \$50,000**. We do not want to discourage you from investing additional capital for your future but deposits of this amount or greater, in most cases, will require modifications and adjustments to your investment allocation. Therefore, we reserve the right to bill your account a pro-rated fee based upon the number of days remaining in the current quarterly period for deposits exceeding the above amount.

For assets you may withdraw during the quarter, we **do not make pro-rated refunds** of our quarterly portfolio management fee. Just as with deposits, withdrawals from your account will require modifications and adjustments to be made to correct the allocation of assets in your portfolio.

Fee Exclusions

The above fees for our Portfolio Management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or portfolio account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for Portfolio Management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed portfolio accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "Brokerage Practices."

Termination of Portfolio Management Services

To terminate our portfolio management services, either party (you or us) by **written notification to the other party**, may terminate the Investment Advisory Agreement at any time. Such written notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the last day of a calendar quarter, **you shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once the termination of investment advisory services has been implemented, neither party has any obligation to the other** - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

Portfolio Monitoring Fee

Working with an independent Portfolio Manager, the management fee will be negotiated for the management of your account based on either their fee schedule or ours. The fee will then be split

between both parties as agreed. Disclosure of the management fee split will depend on the billing and custodial arrangements. Such arrangements are as follows:

- ❖ **Portfolio Manager Platform** - Account assets maintained with the Portfolio Manager under their master account with their custodial firm will generally handle the billing and pay us from the total management fee collected.
- ❖ **Separately Managed Accounts** - Under a Separately Managed Account (“SMA”) arrangement, the Portfolio Manager will be given access to your account maintained under our master account with our custodial firm to manage the agreed upon portion of your assets. Under this arrangement, either party could be responsible for collecting the management fee and paying the fee split or each party individually will be responsible for processing their own fee.

Regardless of the billing arrangements, the total fees to be charged to your account **will not exceed an annual fee rate of 2.50%**, which will be composed of:

1. The Portfolio Manager’s management fee;
2. Our Portfolio Monitoring fee; and,
3. Trading commissions and/or account charges, depending on if the Portfolio Manager is “wrapping” all the fees, which may be imposed by the custodian or broker/dealer used to custody your account(s).

If we are responsible for collecting any portion of the management fee, our fees will be based on the fee schedule disclosed above under “Portfolio Management Fee” and handled as disclosed above under “Protocols for Portfolio Management.” Any portion of the management fee collected by the Portfolio Manager will be based on their fee schedule disclosed in their Disclosure Brochures (the Portfolio Manager’s ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure), **which we will provide you prior to, or at the same time as, opening an account.**

Protocols for Portfolio Monitoring

For Portfolio Managers who are **not** managing your portfolio under an SMA arrangement, you will want to consult that Portfolio Manager’s Disclosure Brochure for their policies on how they will handle your account; such as, billing, deposits and withdrawals, fee exclusions, termination, and any other unique advisory costs associated with their service since we **do not take discretion** over the management of your account. We will discuss these arrangements with you when we go to open your account with a Portfolio Manager; however, **you are still encouraged to read their terms for management on your own.**

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

The Managing Members of Andina, Eric S. Barlow and J. Brett Belliston, also serve as the Managing Members of Andina Partners, LLC, which is the General Partner to several private investment funds. For more information on these Funds, please see “Private Investment Fund Affiliation” under Item 10 below, **“Other Financial Industry Activities & Affiliations.”**

The fee structure for the Funds is performance-based. For you to participate you must be defined to be one of the following:

- ❖ An “**accredited investor**,” as defined in Rule 501 of Regulation D under the 1933 Act;
- ❖ A “**qualified client**” as defined in Rule 205-3 under the 1940 Investment Adviser Act; or
- ❖ A “**qualified purchaser**” under Section 2(a)(51) of the 1940 Investment Company Act.

If you do not meet one of the three qualifications, **you are disqualified** from investing in the investment funds. However, should it be determined that you do fit the criteria to invest in one or more of the investment funds, and you express interest to invest, a Confidential Private Placement Memorandum (“PPM”) will be provided. This PPM discloses all possibilities for conflicts of interest and inherent risks, which are necessary for you to make an informed decision.

You are under no obligation to invest in any of the investment funds. However, if you do choose to invest, you **also have the right to rescind your subscription** and receive a full refund of your investment within three (3) business days after entering into a Subscription Agreement.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in Item 4, the “**Advisory Business**” section. Our minimum account size for portfolio management is disclosed above under “Portfolio Management Fee” in Item 5 above in the “**Fees & Compensation**” section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Portfolio Management - Methods of Analysis, Investment Strategies & Managing Risk

Our portfolio management services are designed to build long-term wealth while attempting to preserve capital and mitigate risk through diversifying investments in Investment Company (“mutual funds”) products and with the use of alternative investment sources such as independent third-party money managers and private investment funds for you to achieve the desired return on your investment.

Methods of Analysis

In analyzing mutual funds to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

Fundamental Analysis

Fundamental analysis considers efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios, and tax benefits.

RISKS - Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is happening in the market place. Investing in companies with sound financial data/strength and a history of health returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets

themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

RISKS - Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing in identifying ideal market entry/exit points. However, no market indicator is absolutely reliable, and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

Fundamental analysis provides us with a broad long -term view of a security that begins with determining a company's value and the strength of its financials while **technical analysis** is short-term focusing on the statistics generated by market activity.

Investment Strategies

We are not bound to a specific investment strategy or ideology for the management of investment portfolios but how **your investment may be impacted by your tolerance to risk**. **Money made** from increased stock values has a greater risk (volatility) than **money earned** from dividends in income-oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, to not sacrifice long-term goals for short-term gains. Our investment strategies may incorporate some, all, or none of these methodologies:

Proprietary Software - Performex®

Andina employs portfolio management software entitled Performex® licensed by Asset Allocation Consultants, Ltd. The Performex® software applies various proprietary analytics to the performance of individual investment funds and their managers.

Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this, we may use more narrow and aggressive Asset Allocation derivatives.

Modern Portfolio Theory

Modern Portfolio Theory ("MPT")¹¹ is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

¹¹ The "Portfolio Theory" was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance* while he was working on his PhD doctoral thesis at the University of Chicago. Mr. Markowitz further refined his theory during the latter part of the 1950's and on into the 70's. Along the way, his theory became known as the "Modern Portfolio Theory". Mr. Markowitz won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with William Sharpe.

- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** - The reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list but are the most common risks your portfolio will encounter. Other risks that we have not defined could be political, over-concentration, and liquidity to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear.** Furthermore, **past market performance is no guarantee that you will see equal or better future returns on your investment.**

Portfolio Monitoring - Methods of Analysis, Investment Strategies & Managing Risk

With the use of Portfolio Managers, the focus of our selection and monitoring is to **balance investment return and risk, with the emphasis on spreading risk among asset classes**. The specific methods of analysis, investment strategies, and risk management will be handled at the discretion of the Portfolio Manager.

We will perform a due-diligence **on-site review** of our current and prospective Portfolio Managers to evaluate:

- ❖ **Regulatory Oversight:** Show proper licensure as: (a) a bank/trust company, (b) an insurance company, (c) a registered Investment Company, or (d) a registered investment advisor. In addition, a clear track record of compliance and understanding of their fiduciary duties.
- ❖ **Track Record:** The Portfolio Manager should have at least seven years of history so that performance statistics can be properly calculated.
- ❖ **Stability:** The same management team should be in place for at least seven years. This reflects team unity and balance.
- ❖ **Composition:** At least 80% of the Portfolio Manager's underlying securities investments should be consistent with the broad asset class.
- ❖ **Expense Ratios/Fees:** The Portfolio Manager's fees should **not** be above the median of the peer group.
- ❖ **Performance:** The Portfolio Manager's investment performance should show a competitive advantage relative to their peer group in both up and down markets. This reflects an investment knowledge and understanding of the inner-workings of the securities markets.

In monitoring the investment performance of Portfolio Managers, we will utilize the above criteria to trigger when we should more closely scrutinize a particular Manager for possible replacement.

DISCIPLINARY INFORMATION

We have no legal or disciplinary events to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Financial Industry Affiliation

The Managing Members of Andina, Eric S. Barlow and J. Brett Belliston, are principal executive officers and Investment Committee Members to several private funds in addition to serving as the Managing Members of this company, Andina Capital Management, LLC.

Mr. Barlow and Mr. Belliston in one or more companies may: (i) be a member on the Board of Directors and/or an officer or partner in which they have other managerial duties; (ii) a member of the Investment Committee; (iii) act simply as a passive shareholder; and/or (iv) provide additional services as a representative of that entity. These personal business interests are separate and distinct from the operations of Andina, including certain advising and consulting activities that are beyond the scope of services we provide. Those private funds that Mr. Barlow and Mr. Belliston are involved in are listed as follows:

- ❖ **Andina Partners, LLC** - Andina Partners is a Delaware Limited Liability Company organized to act as the General Partner with responsibility for operational management oversight and control over the affairs of several private Limited Partnerships. Andina Partners is wholly owned by two separate entities that are in turn owned by Mr. Barlow and Mr. Belliston. Through these entities, Mr. Barlow and Mr. Belliston, serve as the Managing Members of Andina Partners.
- ❖ **Andina Research Partners, LLC** - Andina Research Partners is a Utah Limited Liability Company organized to act as the General Partner with responsibility for operational management oversight and control over the affairs of private Limited Partnerships. Andina Research Partners is wholly owned by two separate entities that are in turn owned by Mr. Barlow and Mr. Belliston and Scipio Labyrinth, LLC. Mr. Barlow and Mr. Belliston serve as Managing Members of Andina Research Partners.
- ❖ **Blue Field Income I GP, LLC** - Blue Field Income I GP is a Utah Limited Liability Company organized to act as the General Partner with responsibility for operational management oversight and control over the affairs of Blue Field Income Fund I, LP, Blue Field Legacy Fund, LP, Blue Field Development Fund I, LP, and Blue Field Senior Fund, LP. Mr. Barlow and Mr. Belliston each have a 25% ownership in the Blue Field Income I GP, LLC.
- ❖ **K Fund Capital Management, LLC** - K Fund Capital Management is a Delaware Limited Liability Company organized to act as the General Partner with responsibility for operational management oversight and control over the affairs of The K Fund, LP. Mr. Barlow and Mr. Belliston each have a 33% ownership in the K Fund Capital Management, LLC.
- ❖ **Mercatus Partners, LLC** - Mercatus Partners, LLC is a Utah limited Liability Company organized to act as the General Partner with responsibility for operational management oversight and control over the affairs of Mercatus Partners Strategic Opportunity Zone Investment Fund, LLC and Mercatus Strategic Opportunities Fund I, LLC. Mr. Barlow and Mr. Belliston each have 33.3% ownership in Mercatus Partners, LLC.

Potential Time Management Conflict

The time Mr. Barlow and Mr. Belliston devote to their obligations as General Partners of these funds can range from 30% to 50% of their time depending on their fiduciary management responsibilities and regulatory reporting time constraints as part of their administrative duties. Mr. Barlow and Mr. Belliston's **responsibility to these funds may occasionally create a time management conflict that you should consider**. However, neither Mr. Barlow nor Mr. Belliston feel their responsibilities to these funds will distract from their duty to manage your investment portfolio.

Potential Conflicts Working with Affiliated Entities

Referrals to, from, and between Andina and any one of the funds' General Partners listed above can create a potential conflict of interest to Mr. Barlow and Mr. Belliston's fiduciary duty to be impartial with their advice and to keep your interests ahead of their own. As the Managing Partner, or a member of the fund acting as the Managing Partner, of private investment funds, Mr. Barlow and Mr.

Belliston are able to influence you to keep your investment activities in house. Therefore, before accepting either Mr. Barlow's or Mr. Belliston's recommendation to engage any of these affiliated companies, **you may want to consider other options to ensure the service you receive is comparable to the service you might receive elsewhere.**

Regardless, Andina strives to serve your best interest and maintain our fiduciary responsibility by making you aware of circumstances that could adversely affect the management of your account(s) in compliance with the Investment Advisers Act of 1940, Rule 275.206.

Private Investment Fund Affiliation

Each of the above General Partners is responsible for implementing the investment strategy of each of these private investment funds' unique investment objectives and those trading strategies deemed to possess the optimal combination of earnings potential. The investment trading strategies of each of the private investment funds are briefly described below:

- ❖ **Andina Performex IDF, LP** - The objective of Andina Performex IDF is to achieve consistent, above average investment returns from allocating Andina Performex IDF's funds to a group of Investment Vehicles that are primarily focused on equity-related investments, while also attempting to preserve capital and mitigate risk through diversification of investments and hedging activities. Copperstone Insurance Services, LLC is the General Partner.
- ❖ **Andina Hedged Growth Fund, LP** - The objective of the Hedged Growth Fund is focused on growth through equity price appreciation. Approximately three-fourths of the Hedged Growth Fund is allocated to equity strategies, some long and short, while also attempting to mitigate risk through diversification of investments and hedging activities by investing and/or trading in securities of any kind or other property of U.S. and foreign issuers. Andina Partners is the General Partner.
- ❖ **Andina Private Credit Strategies, LP** - The objective of the Private Credit Strategies is to create investment income through first lien lending transactions secured by real estate, equipment, business and personal guarantees, and other security as deemed appropriate. The majority of Private Credit Strategies' assets will be allocated to other private fund managers who specialize in the sourcing, underwriting, and administration of private credit loan portfolios. The overall allocation structure is designed to improve the risk/return attributes through a diversified private credit strategy. Andina Partners is the General Partner.
- ❖ **Andina Global Research Fund, LP** - The Global Research Fund provides diversified exposure to public equities, debt, commodities, and derivatives using the proprietary research tools developed by Scipio Labyrinth, LLC and the investment management skills of their team of advisors. The focus will be to maximize investment returns using this research to allocate assets across five broad categories: countries, instruments, sectors, themes, and special situations. Andina Research Partners is the General Partner.

- ❖ **Blue Field Legacy Fund, LP** - The Legacy Fund was formed to co-invest with strategic partners in real estate development projects and other real estate-related investments. The Legacy Fund seeks to generate superior long-term cash-on-cash returns, recognize long-term capital appreciation, and preserve investor capital. Blue Field Income I GP is the General Partner.
- ❖ **Blue Field Income Fund I, LP** - The Income Fund I is a private equity real estate fund formed to source, underwrite, acquire, maintain real estate and real estate related assets. The Income Fund I seeks to make equity and equity-related investments with strategic partners in such assets that are focused on solid monthly income and long-term capital preservation. Blue Field Income I GP is the General Partner.
- ❖ **Blue Field Development Fund I, LP** - The Development Fund I is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate and real estate related assets. The Development Fund I seeks to make equity and equity-related investments with strategic partners in development projects that are focused on generating stable monthly income, realizing long-term capital appreciation, and preserving investor capital. Blue Field Income I GP is the General Partner.
- ❖ **Blue Field Senior Fund, LP** - The Senior Fund is a private equity fund founded to pursue direct real estate investment in senior housing (senior living, assisted living, memory care, etc.). The Senior Fund seeks to generate superior risk-adjusted returns to its investors with a focus on distributions of income, long-term capital appreciation, and capital preservation. Blue Field Income I GP is the General Partner.
- ❖ **Blue Field OZ Fund, LP** - BFOZ fund is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate related assets. BFOZ seeks to make equity investments with strategic partners in opportunistic real estate projects focused on rental income and capital appreciation in federally designated Opportunity Zones. These projects may be existing real estate assets or development projects in markets the GP finds attractive.
- ❖ **Blue Field Fund VI, LP** - BFFVI I is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate related assets. BFFVI seeks to make equity investments with strategic partners in opportunistic real estate projects focused on rental income and capital appreciation. These projects may be existing real estate assets or development projects in markets the GP finds attractive.
- ❖ **Blue Field NWQ Fund, LP** - BFNWQ I is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate related assets. BFNWQ seeks to make equity investments with strategic partners in opportunistic real estate projects focused on rental income and capital appreciation. This fund is specifically focused on the acquisition and development of approximately 1500 acres of raw land west of the Salt Lake International Airport. This acquisition was completed in 2017 and development activities have been underway since that time. The partnership will develop and manage real estate assets on the acquired acreage as well as seek to acquire additional acreage as deemed appropriate.
- ❖ **The K Fund, LP** - The K Fund is a diversified private equity fund founded to source, evaluate, invest, and profitably exit investment positions in private and public companies. In addition, The K Fund may invest in other funds, including investing in discounted secondary positions and with other private funds offering co-investment opportunities. K Fund Capital Management is the General Partner.
- ❖ **The K Fund II, LP** - The K Fund II is a private equity fund formed to invest in private companies at various stages of maturity, each having different risk/reward profiles, from post-seed stage technology-driven companies to established middle-market manufacturing, product and service companies generating stable cash flows. In addition, The K Fund II may invest in other funds, including investing in discounted secondary positions and with other private funds offering co-investment opportunities. K Fund Capital Management is the General Partner.

- ❖ **Mercatus Strategic Opportunities Fund I, LP** - MSO I is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate related assets. MSO I seeks to make equity investments with strategic partners in opportunistic real estate projects focused on rental income and capital appreciation. These projects may be existing real estate assets or development projects in markets the GP finds attractive.
- ❖ **Mercatus Partners Strategic Opportunity Zone Fund** - MSOZ fund is a private equity real estate fund formed to source, underwrite, acquire, maintain and eventually exit out of real estate related assets. MSOZ seeks to make equity investments with strategic partners in opportunistic real estate projects focused on rental income and capital appreciation in federally designated Opportunity Zones. These projects may be existing real estate assets or development projects in markets the GP finds attractive.

Investment Limitations and General Considerations

You may be solicited, along with other independent investors, to invest in one or more of these private investment funds if **you are defined as one of the following**:

- ❖ An **“accredited investor”**, as defined in Rule 501 of Regulation D under the 1933 Act;
- ❖ A **“qualified client”** as defined in Rule 205-3 under the 1940 Investment Adviser Act; or
- ❖ A **“qualified purchaser”** under Section 2(a)(51) of the 1940 Investment Company Act.

If you do not meet one of the three qualifications, **you are disqualified** from investing any of these private investment funds. However, should it be determined that you do fit the criteria to invest in one or more of these private funds, and you express interest to invest, a Confidential Private Placement Memorandum (“PPM”) will be provided to you. The PPM discloses all possibilities for conflicts of interest and inherent risks, which are necessary for you to make an informed decision.

You are under no obligation to invest in any of the private investment funds. However, if you do choose to invest, you **also have the right to rescind your subscription** and receive a full refund of your investment within three (3) business days after entering into a Subscription Agreement.

See “Pooled Investment Vehicle Compensation” under Item 14, **“Client Referrals & Other Compensation”** for other potential conflicts of interest, and “Pooled Investments” under Item 15, **“Custody”** for more information on how operating this Funds creates a custody situation.

Insurance Company Activities & Affiliations

Certain of our management persons and Investment Advisor Representatives (“RA”) are also licensed as resident life, health, and fixed annuity insurance agents in their state of residence and may be licensed as non-resident agents in other states. These agents are licensed to sell insurance-related products and earn commissions from the sale of those products.

As agents, these RAs are licensed to sell insurance-related products and earn commissions from the sale of these products. Potential conflicts of interest can occur when an RA, as a trusted advisory advising your portfolio for a fee, recommends you purchase an insurance product in which he/she will earn a commission. **This can create a situation of divided loyalty and the objectivity of the advice rendered could be subjective and create a disadvantage to you.**

For further information on potential conflicts and economic benefits from these activities by RAs who hold the above licenses, see “Financial Planning Compensation” below under Item 14, “**Client Referrals & Other Compensation**” of this Brochure. In addition, more information about our RAs who offer investment advice and their insurance activities can be found in their individual “**Brochure Supplements**”.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, Andina has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim - do the right thing. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

Other than the opportunity to invest in one of the private investment funds, it is against our policies for any owners, officers, directors or employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable

investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non- public information with anyone who does not need to know and has set-up internal controls to guard your personal information.

Class Action Policy

Andina, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate and the completion and tracking of any such related documentation shall generally rest with you.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative ("RA"), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "**Brokerage Practices**") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by the Chief Compliance Officer to ensure that such activities do not impact your security or create conflicts of interest.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

Andina maintains a custodial relationship with Charles Schwab & Company, Inc. ("Schwab"), a registered broker-dealer (member FINRA/SIPC), through its Schwab Advisor Services to financial

advisors. Schwab offers services, which include custody of securities, trade execution, clearance, and settlement of transactions.

Our recommendation for you to custody your assets with Schwab has no direct correlation to the services we receive from Schwab and the investment advice we offer you, although **we do receive economic benefits** through our relationship with Schwab that are typically not available to Schwab retail clients. These benefits include the following products and services (provided without cost or at a discount):

- ❖ Receipt of duplicate client statements and confirmations;
- ❖ Research related products and tools and consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds with no transaction fees and to certain institutional money managers.

We are not a subsidiary of or an affiliated entity of Schwab. We have sole responsibility for investment advice rendered, and **our advisory services are provided separately and independently from Schwab.**

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. The advisory support services we received from Schwab creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with Schwab may have been influenced by these arrangements/services. **This is not the case;** we have selected Schwab as our custodians of choice based on:

1. Their competitive transaction charges, trading platform, and online services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with Schwab staff.

Since we do not recommend, suggest, or make available a selection of custodians other than Schwab, and we have not verified whether their transaction fees are competitive with another custodian, **best execution may not always be achieved.** Therefore, **you do not have to accept our recommendation to use Schwab** as your custodian. However, if you elect to use another custodian, **we may not be able to provide you complete institutional services.**

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.

- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available for review upon request.

Selection of Portfolio Managers

We will make available a select group of Portfolio Managers from which you may choose to manage your account(s). We will assist you in determining which will provide the most effective financial growth based upon your stated investment objectives and risk tolerance level. **The brokerage practices of the Portfolio Manager will be disclosed in their ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure, which we will provide you prior to, or at the same time as, opening an account.**

While we have exercised our best efforts evaluating the investment performance and cost of service offered by these Portfolio Managers, we make no representation the Portfolio Manager in which we refer you have the best investment performance or has the lowest portfolio management costs. In addition, your selection of such Portfolio Managers will be limited to those with whom we have entered into service agreements. Therefore, it is possible that you might be able to contract for similar services elsewhere or separately, with equivalent or better performance at lower cost.

REVIEW OF ACCOUNTS

ITEM 13

Portfolio Management Reviews

Each account is reviewed on an ongoing basis by Eric S. Barlow, J. Brett Belliston, or the Investment Advisor Representative (“RA”) assigned your account to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your stated investment objectives and guidelines. Cash needs will be adjusted as necessary.

You will receive monthly statements from Charles Schwab & Company, Inc. where your account(s) are custodied. You are encouraged to review each statement which summarizes the specific investments held, the value of your portfolio and account transactions.

You are also encouraged to review with us investment strategies and account performance on an annual basis. Material changes in your personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to communicate changes in your personal circumstances so that the appropriate adjustments can be made.**

Portfolio Monitoring Reviews

Should your account be managed by a third-party money manager (“Portfolio Manager”), the RA over your account will monitor and evaluate the performance of the Portfolio Manager. We understand your goals and tolerance for risk may change over time; therefore, **even though we are not involved in any way with the day-to-day management of your assets** maintained with a Portfolio Manager(s), your

portfolio will be monitored, and we will make recommendations to you regarding the Portfolio Manager(s) as market factors and your personal goals dictate.

Financial Planning Reviews

The financial planner who has/is designing your financial plan will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to communicate these changes to us** so that the appropriate adjustments can be made.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We do not receive any economic benefit from an independent party for managing your account(s). In addition, we do not compensate persons/firms for client referrals.

Other Compensation (Indirect Benefit)

Andina receives an indirect, non-monetary, economic benefit from Schwab (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on what these services and products could be.)

Financial Planning Compensation

As previously mentioned, certain of our Investment Advisor Representatives (“RAs”) **are commissioned insurance agents** (See “Insurance Company Activities & Affiliations” above in Item 10, “**Other Financial Industry Activities & Affiliations**” for more information). This can create a conflict of interest when recommending for a fee, through a financial plan, that you purchase insurance products where a commission can also be earned.

In addition, there are also potential conflicts of interest when an RA suggests the need for outside consultations and professional services (i.e., attorneys, accountants, brokers, etc.) to implement certain aspects of a financial plan. Even though the RA does not receive any share of fees earned by the outside professionals when implementing a financial plan, it does create an incentive on his/her part to refer your business to only those entities that in turn refer potential clients to us. In both cases, there is potential for divided loyalty, and the objectivity of the advice rendered could be subjective and create a disadvantage to you. Therefore, to ensure you understand the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided to assist you with your decisions:

- ❖ Certain aspects of a financial plan may require the assistance of a Registered Representative of a broker-dealer to execute a transaction. In this situation regardless of who performs the transaction(s), **such person will be entitled to earn a commission or fee.**
- ❖ If requested by you to implement any insurance recommendations made in the financial plan, the RA will execute such transactions through those insurance companies in which he/she is a licensed insurance agent. In such cases, **the RA will receive the normal commissions associated with such insurance transactions.**

- ❖ You are under no obligation to have any related parties that we recommend prepare planning documents (i.e., financial, estate, tax, etc.). **You are free to choose those outside professionals to implement the recommendations made in the financial or estate plan.**
- ❖ Andina does not receive any economic benefit from referring you to another professional without first notifying you of such possibilities.

Notwithstanding these disclosures, other conflicts of interest may arise from time-to-time. In such cases, we will make every effort to fully disclose any issues prior to engagement. We strive, at all times, **to serve your best interest and ensure proper disclosure** is being made to you in compliance with the Investment Adviser Act of 1940, Rule 275.206.

Pooled Investment Vehicle Compensation

Our fiduciary duty binds us to an ethical standard of complete care and loyalty and to avoid circumstances that might affect, or appear to affect, this standard unless we act transparently and provide you full and fair disclosure on any potential conflict.

In addition to serving as the Managing Members of this company, Andina Capital Management, LLC, Eric S. Barlow and J. Brett Belliston, are also the principal executive officers and Investment Committee Members to several private investment funds. As such, **Mr. Barlow and Mr. Belliston will receive economic benefits from recommending that you invest in these private investment funds.** These benefits could be, but are not limited to, an increase in advisory/consulting fees, salaries, performance fees, and income/dividend returns should you choose to invest in one or more of the private investment funds. **Therefore, before accepting our recommendation to invest in these affiliated private funds, you should consider other investment opportunities to ensure the expenses and investment returns are comparable or equivalent to the private investment funds being recommended.**

See “Financial Industry Affiliation” and “Private Investment Fund Affiliation” above under Item 10, **“Other Financial Industry Activities & Affiliations”** for disclosure about time management, affiliated entity considerations, and the investment qualifications of the private investment funds. Also see “Pooled Investments” under Item 15, **“Custody”** for more information on how operating these investment funds creates a custody situation.

Retirement Rollover Compensation

Earning a management fee from recommending the rollover of retirement plan assets to an IRA we manage is considered “self-dealing” and prohibited unless we comply with a Best Interest Contract (“BIC”) Exemption available under the Department of Labor’s (“DOL”) Fiduciary Rule. The DOL considers earning a management fee “self-dealing” because it increases our compensation and profits while potentially disregarding the underlying costs paid by, and the services provided under, the retirement plan that might be more beneficial to you should your retirement assets remain with the plan. Therefore, when it comes to your retirement assets, there are typically four options you should consider when leaving an employer:

- ❖ Leave the account assets in the former employer’s plan, if permitted;
- ❖ Rollover the assets to the new employer’s plan, if one is available and rollovers are permitted;
- ❖ Rollover the assets to an Individual Retirement Account (an “IRA”); or,
- ❖ Cash out the retirement account assets (There may be tax consequences and/or IRS penalties depending on your age.).

Should you choose to rollover your retirement account assets to an individual IRA account, **you understand you are under no obligation to engage us to manage these assets that you are free to take your IRA account anywhere to be managed.**

CUSTODY

ITEM 15

Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with Charles Schwab & Company, Inc. as indicated above in Item 12, **“Brokerage Practices.”**

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (Schwab) in a separate account in your name.
- ❖ Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

Schwab is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and all account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from Schwab to verify the accuracy and correctness of our reporting.**

Pooled Investments

As previously mentioned, Eric S. Barlow and J. Brett Belliston, are also the Managing Members and/or Investment Committee Members to several Limited Liability Companies serving as the General Partners to numerous private investment funds. (See Item 10, **“Other Financial Industry Activities & Affiliations”** above under “Financial Industry Affiliation” for more information.).

As the Managing Members or an Investment Committee Members, and General Partners of numerous private investment funds, Mr. Barlow and Mr. Belliston have legal control of, ownership of, and access to, the assets held in these private investment funds. By virtue of their positions, Mr. Barlow and Mr. Belliston have the authority to dispose of these assets, whether appropriate or not, without the limited partners of the private investment funds ever knowing. Therefore, to protect the limited partners and to comply with the 1940 Act Custody Rule 206(4)-2 safekeeping requirements for pooled investment vehicles, each of the private investment funds will:

- ❖ Be subject to an audit (as defined in Section 2(d) of Article 1 of Regulation S-X [17 CFS 210.1-02(d)]) at least annually.
- ❖ Ensure the independent public account performing the audit is subject to regular annual inspection by the PCAOB, in accordance with the rules of the PCAOB.
- ❖ Distribute the audited financial statements prepared in accordance with Generally Accepted Accounting Principles to all limited partners within 120 days of the end of the fiscal year.

- ❖ Upon liquidation of all assets in the Funds, should one of them close, have a final audited financial statement prepared and promptly distributed to all limited partners after the completion of such audit.
- ❖ Have the third-party administrator (“TPA”) review all fees, expenses, and capital expenditures and furnish each limited partner with quarterly statements and K-1 tax documents for reporting income, losses, and dividends to limited partners in the Fund.

The Confidential Private Placement Memorandum (“PPM”) discloses all the safeguards that have been implemented to protect the limited partners. If you are both a client of Andina and limited partner of one or more of these private investment funds, you are encouraged to read the PPM where such procedures are disclosed.

INVESTMENT DISCRETION

ITEM 16

We will have you complete our Investment Advisory Agreement which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval. You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, excluding the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision. However, if you have specific questions regarding an action being solicited by the proxy that you do not understand, or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200. We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

END OF DISCLOSURE BROCHURE