

FIRM BROCHURE
(Part 2A of Form ADV)

September 24, 2020

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Letter Advisors, LLC. If you have any questions about the contents of this Brochure, please contact Andrew Carroll at (714) 653-3697. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Letter Advisors is registered as an investment adviser with Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Letter Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

Letter Advisors, LLC is a newly registered investment adviser with the Securities and Exchange Commission. As such, no material changes are noted here. Our prospective clients are strongly encouraged to read this brochure in its entirety prior to engaging Letter Advisors, LLC for any advisory services

Pursuant to applicable rules, Letter Advisors, LLC will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Letter Advisors, LLC's fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. Letter Advisors, LLC's Brochure is available upon request and may be requested by contacting the firm's Chief Compliance Officer, Andrew Carroll at (714) 653-3697.

Additional information about the firm and its investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.

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Item 4: Advisory Business

A. Description of Firm

Letter Advisors, LLC (“LTR” or the “Firm”) is a Texas-based investment advisory firm. LTR is registered as an investment adviser with the Securities and Exchange Commission pursuant to Rule 203A2(e) may notice-file (register) when appropriate in those jurisdictions in which we conduct investment advisory business and/or we may meet certain exemptions per statute. The Firm’s principal owner is Letter Technologies, Inc. (please see Schedules A and B to the Firm’s Form ADV Part 1 for additional information concerning Firm ownership). Mr. Andrew Carroll serves as the Manager and Chief Compliance Officer (“CCO”) of the Firm. In these roles, Mr. Carroll is responsible for all day-to-day management and operations of LTR.

B. Types of Advisory Services Offered

1. **Online Investment Management Services**

Our primary focus is to provide investment strategies to clients exclusively through web-based solutions and virtual interaction. We do not offer customized investment advice, financial planning services, nor do we sponsor or serve as a portfolio manager in an investment program involving wrapped fees.

Interested parties must access our secure website where they are offered our current Brochure (Form ADV Part 2A) and Form CRS disclosures that describes our advisory firm, its services, potential fees, etc., as well as any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice. The Brochure, Form CRS and privacy policy statement are available to clients/prospective clients in either portable document format (PDF) for their download and/or may be printed on their own local printer. Should the prospective client wish to then engage LTR for its services, they must then enter into a written agreement with our Firm to initiate the process.

LTR’s software employs 11 different model portfolios in which clients may invest. These model portfolios are comprised of Mutual Funds, Exchange Traded Funds (“ETFs”), individual equities (stocks), and or cash/cash equivalents, and range across a spectrum from “conservative” (model portfolio 1) to “aggressive” (model portfolio 11).¹ The model portfolios are rebalanced regularly to reflect changes in allocation percentages due to market fluctuation or cash movement into or out of accounts.

At the onset of the relationship, LTR’s web-based software will require clients to respond to a sequence of online, interactive questions providing such information as their age, investment time horizon, income and/or liquid assets, the amount they plan to invest, among others. LTR also inquires as to a potential client’s investment tendencies, as well as tolerance or appetite for risk. Following receipt of the client’s responses, the Firm’s software will autogenerate a range of model portfolio recommendations that are delivered to the client for viewing via the Firm’s

¹ Typically, the types of securities utilized will be the same in all model portfolios. However, the concentration of such securities will differ with more “conservative” portfolios containing a greater concentration of cash, mutual funds and ETFs; and more “aggressive” portfolios containing a greater concentration of individual stocks.

website (which the client is able to locally print if desired). The range given will include the “primary” recommendation (*i.e.*, the model portfolio that most closely aligns with responses provided by the client), as well as an option for the client to “move” up or down by one model portfolio. This allows the client the ability to “fine tune” their model portfolio selection between the three options given. If the client attempts to select a model portfolio outside of generated range, the client will automatically be prompted with a warning that their selection does not match their indicated answers. The client will be required to acknowledge the warning before making any model portfolio selections that fall outside the range. LTR’s program does not take an investor’s personal tax situation into consideration when generating the model portfolio range. Clients are encouraged to consult with their professional tax advisor prior to making any selections.

After the client confirms their model portfolio selection, they will complete an online application and receive disclosures via the Firm’s program (and have the option to download or save those forms and disclosures) in order to open a brokerage account at Charles Schwab & Co., Inc. (“Schwab”). This application is automatically submitted to Schwab’s system to open accounts. Upon confirmation of account opening, client’s can send a wire to fund their account and make an investment in the model portfolio. LTR uses the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies, Inc., d/b/a Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of Schwab, to operate the Program. LTR is independent of and not owned by, affiliated with or sponsored or supervised by SPT, Schwab, or their affiliates. LTR, and not Schwab, is the client’s investment advisor and is responsible to client with respect to the Program. LTR has contracted with SPT to provide LTR with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables LTR to make the Program available to clients online and includes a system that automates certain key parts of the Firm’s investment process as described above.

LTR charges clients a fee for their services as further described in Item 5 below. While clients do not pay brokerage commissions or any other fees to Schwab as part of the Program, Schwab does receive other revenues in connection with the Program including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that could be selected to buy and hold in the client’s brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client’s brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

Account holdings that are not part of the client’s portfolio will not be monitored by the Firm’s program. If the client chooses to remove money from their LTR advisory account(s), there may be additional fees charged by their custodian to liquidate or transfer those securities. It remains each client’s ongoing responsibility to promptly update their information within our system when

there is a material change to their situation and/or investment objective for the purpose of evaluating or revising investments.

2. Third-Party Advisers

The Firm serves as a solicitor for various third-party investment advisers and money managers (“Independent Managers”). All solicitation activities will be conducted in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and any corresponding state securities laws, rules, regulations, or requirements. All solicitation activities are conducted pursuant to separate written agreements between LTR and each Independent Manager setting forth a description of the solicitation services to be performed and the compensation to be paid, as well as various undertakings and obligations of the respective parties. Each client, when entering the “Outside Advisors” area of the Firm’s app, will receive an automatically generated disclosure informing the client that advisors and/or strategies available for the client’s review are not vetted, approved, or monitored by LTR. Further, LTR does not recommend any particular adviser over another, or represent that any adviser will be suitable for the client’s investment needs. The disclosure prompt will repeat every 60 days as a reminder. Upon selecting an outside advisor the client shall receive a copy of the designated Independent Manager’s Form ADV Part 2, Form CRS and/or other disclosure documents, as well as a “Disclosure Statement” setting forth more specific information concerning the relationship between LTR and the selected Independent Manager – specifically information concerning any receipt of compensation by LTR.

LTR does not give investment advice or make securities recommendations in connection with its solicitation activities, nor does LTR recommend any particular Independent Manager or represent that that client’s investment needs will be met by any Independent Manager. Clients are under no obligation to utilize the services of any Independent Manager for whom LTR serves as a solicitor. It is the client's obligation to conduct their own due diligence on the Independent Manager(s) in determining whether or not they wish to utilize their services. If the client chooses to work with an Independent Manager, the client will enter into a separate agreement with the Independent Managers setting forth the terms and conditions of the relationship. LTR cannot and will not enter into an agreement on behalf of the client or the Independent Manager.

C. Advisory Agreements

1. Client Agreements and Disclosures

Each client is required to enter into a written agreement with LTR setting forth the terms and conditions under which the Firm shall render its services (the “Agreement”). In accordance with applicable laws and regulations, LTR will provide its disclosure brochure (ADV Part 2A), brochure supplement (ADV Part 2B), Form CRS Customer Relationship Summary and most recent Privacy Notice to each client prior to or contemporaneously with the execution of the Agreement. The Agreement between LTR and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. LTR’s fees (as discussed below) shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner. Neither LTR nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of LTR shall not be considered an assignment.

When acting as a solicitor in behalf of Independent Managers, the Firm provides solicited persons with a "Disclosure Statement" that provides information concerning the Firm's role as a solicitor, its receipt of compensation for referring persons to Independent Managers, and whether such persons will pay any additional fees to the Independent Manager for the Firm acting in the role of a solicitor.

D. Participation in Wrap Programs

LTR does not participate in any wrap programs at this time.

E. Amount of Client Assets Managed

As of the date of this Brochure, the following represents the amount of client assets under management by the Firm on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$0
Non-Discretionary	\$0
Total:	\$0

ITEM 5: FEES AND COMPENSATION

A. Compensation for Advisory Services

As described in greater detail below, LTR receives different types of fees, including referral fees and fees based on a percentage of assets under management, dependent upon the services provided.

Published fees may be discounted at the discretion of the Firm, but they are generally non-negotiable. In addition, LTR has full discretion to waive its advisory fees in their entirety. Although LTR believes its fees are competitive, Clients should be aware that lower fees for comparable services may be available from other sources.

1. Fees for Online Investment Management Services

LTR's management fee is assessed quarterly, in advance, and is calculated using the average daily balance method. The average daily balance for each account is determined by calculating the total dollar value for every calendar day during the quarter. The account balance for every day in the quarter is added together, and then divided by the number of calendar days in the quarter. The fee is calculated by multiplying the average daily balance of the account by the fee percentage. The annual investment management fee assessed is as a percent (.15%) of client's assets under management.

Typically, with the client's prior authorization, these fees will be automatically deducted from the client's account by the custodian as soon as practicable following the end of each applicable period. Should a client open an account during a quarter, the Firm's fee will be prorated based on the number of days the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The

number of days the account was managed during the quarter until termination is used to determine the percentage of the fee earned (based on the total number of days in the quarter) and the balance is refunded.

As described in Item 4 above, clients do not pay fees to SPT or brokerage commissions or other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program. Brokerage arrangements are further described below in Item 12 below.

2. Referral Fees for the Selection of Third-Party Advisers

As referenced in Item 4, LTR will at times serve as a solicitor for one or more Independent Managers. Should a client engage an Independent Manager, LTR will be compensated for its services by receipt of a fee to be paid directly by the Independent Managers. Such fees are generally a portion of the investment management fee charged by the designated Independent Manager, which is typically based upon a percentage of the market value of the assets being managed by the respective Independent Manager. Any such fee shall be paid solely from the Independent Managers' investment management fee.

The fees charged by Independent Managers will vary dependent upon the Independent Manager selected, the size of the account and the services provided. Information regarding each Independent Managers' minimum account size, requirements, management services and associated advisory and referral fees are set forth in each Independent Manager's Form ADV Part 2 or other client disclosure brochure, which is provided to clients at the time of the referral. In addition, the terms of the compensation to be paid to LTR by such Independent Managers will be set forth in a written agreement between LTR and each Independent Manager for which LTR solicits or refers clients and/or prospective clients.

LTR does not deduct fees from client's assets or bill clients for fees incurred for solicitation services. As referenced above, LTR is directly compensated by Independent Managers.

B. Other Fees and Expenses

Clients should understand that the fees charged by LTR and/or Independent Managers may not include certain other charges such as custodial fees, mutual fund fees and expenses, and private fund management fees. Client assets may also be subject to transaction costs, deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Notably, LTR will not receive any portion of these other fees and expenses. However, as noted above, LTR and/or its advisory representatives will receive compensation pursuant to LTR's agreement with one or more Independent Managers for introducing clients to the Investment Managers. Such referral relationship will result in LTR or its representative(s) receiving a portion of the fees earned by such Independent Managers in connection with the investment made by the referred client. This compensation, which is disclosed to the client in a separate disclosure document provided by the Independent Manager, is typically paid directly to LTR by the Independent Manager according to the agreement between LTR and the Independent Manager.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm does not charge performance-based fees (i.e., fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, the Firm does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, the Firm provides advisory services for a percentage of assets under management, in accordance with applicable law.

ITEM 7: TYPES OF CLIENTS

A. Description

LTR provides online investment management services on a continuous basis to individuals, high net worth individuals. Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), are not eligible for the Program.

LTR also provides solicitation services to individual clients, trusts and estates, charitable organizations, corporations and other business entities. LTR does not impose conditions or account minimums on the acceptance of clients, but the Independent Manager may impose certain minimums. LTR does, however, reserve the right to decline any potential client for any reason.

Prospective clients evaluating LTR’s service should be aware that LTR’s relationship with clients is likely to be different from the “traditional” investment adviser relationship in several aspects: (i) LTR is a software-based financial adviser, which means each client acknowledges its ability and willingness to conduct a relationship with LTR on an electronic basis and to receive all documentation related to the advisory services on an electronic basis; (ii) LTR does not make individual representatives available to discuss servicing matters with clients; (iii) LTR will remind clients via email on at least a yearly basis that they are able to update their stated risk preferences and may request that clients answer questionnaires seeking additional information on those clients’ investment profiles from time to time; (iv) neither LTR nor any of its employees or representatives meet with clients face-to-face; (v) LTR’s service utilizes a series of pre-selected ETFs, and LTR does not allow clients to select their own ETFs; and (vi) Clients may not place orders to purchase or sell securities on a self-directed basis on the Platform.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Investment Strategies and Methods of Analysis

LTR provides model portfolios comprised of such securities as described in Item 4 above. To help develop its model portfolio allocations, LTR may use commercially available information services and financial publications dealing with investment research. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses) and research releases prepared by third parties are also utilized. LTR also may use research materials prepared by various investment product vendors or custodians.

LTR may also obtain information by meeting with management, customers or competitors, attending industry conferences and consulting with experts in the appropriate field.

B. Risk of Loss

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

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

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

The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities.

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

There are certain additional risks associated with the securities utilized by LTR including, among others:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. This is also referred to as systemic risk.
- Sector risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-diversification risk – The risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with

a single economic, political or regulatory occurrence than a more diversified portfolio might be.

- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest rate risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Opportunity Cost Risk –The risk that an investor may forego profits or returns from other investments.

ITEM 9: DISCIPLINARY INFORMATION

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

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under Item 4, above, LTR makes available to clients, information concerning Independent Managers and receives compensation should a client engage one more Independent Managers for ongoing advisory services. Prior to allowing such Independent Managers visibility on the Firm's platform, the Firm performs due diligence to ensure such advisers are properly licensed and/or registered as an investment adviser. This receipt of compensation creates a conflict in that the Firm will likely only make available on its platform access to information concerning those Independent Managers with whom LTR receives referrals fees. To mitigate this

conflict, the Firm discloses its existence to clients at the time of solicitation, mainly through the delivery of this Brochure and the solicitation Disclosure Statement.

Additionally, outside of his activities at LTR, Mr. Carroll – the Firm’s Manager and CCO, is the 50% owner of Carroll Family Holdings, a holding company that operates three wholly owned subsidiaries, CFH Employment Group, Inc, a staffing firm, Bookkeeping Joy, LLC, a bookkeeping firm, and Accrual Empire, LLC, a consulting and outsourcing firm. In addition to operating those businesses, Carroll Family Holdings owns stakes in Hyke Inc, a tax and accounting firm for freelancers and Letter Technology Inc, a financial software company. Mr. Carroll also acts as the Chief Financial Officer of Letter Technology Inc. (“LTI”) (see below for additional information concerning LTI).

Mr. Carroll is also an investment adviser representative of Kingstone Capital Partners Texas, LLC – an advisory firm registered with the Securities and Exchange Commission. Mr. Carroll also holds an “economic only interest” (but not a voting interest) in Kingstone Partners Holdings 1, LLC (“KPH”). LTR intends to include KCP as an Independent Manager available for selection by clients as part of the Firm’s online program. Mr. Carroll and/or LTR will receive solicitation fees if a client selects KCP for ongoing advisory services. Additionally, should clients of LTR choose to engage KCP, Mr. Carroll will share in profits received by KPH due to his having an “economic only interest” in that company. In order to mitigate this conflict, it is disclosed to clients through LTR’s Disclosure Brochure and this Brochure Supplements. Further, clients are made aware – typically through the delivery of this Brochure, that they are under no obligation to utilize KCP for their investment advisory needs and are free to select any Independent Manager, or other advisory firm not made known on the Firm’s platform, of their choosing.

Mr. Carroll, who is a licensed Certified Public Accountant in the States of California and Texas, is also the Owner of “CFOAndrew APC” which is a private tax service. This service is not offered as part of his duties with LTR.

Mr. Carroll, in his capacity as a Certified Public Accountant in the States of California and Texas, also owns “Andrew L Carroll PLLC” a private tax service. Mr. Carroll also spends a substantial amount of time performing strategic services on behalf of Kingstone Family Office Partners, DBA Kingstone Family Enterprises (“KFOP”).

Mr. Carroll also acts as the Chief Financial Officer of Letter Technology. His duties supervising the accounting and finance functions of the entity. He also serves on the executive management team assisting with strategy and company development.

Neither LTR nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Further, neither LTR nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Description of Code of Ethics

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

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

Because LTR's investment professionals and associated persons may transact in the same securities for personal accounts as they may buy or sell for clients, it is important to mitigate potential conflicts of interest. As such, LTR has adopted personal securities transaction policies in its Code, which all of LTR's associated persons must follow. Specifically, the Code requires personnel to report personal trades and holdings and prohibits or requires pre-clearance for certain trades in certain circumstances. The Code also contains procedures for reporting violations and enforcement. The Code is reviewed and distributed to personnel annually. LTR will provide a copy of its Code of Ethics to any client or prospective client upon request. Please contact LTR at (714) 653-3697.

B. Participation or Interest in Client Transaction

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

LTR or individuals associated with LTR may buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by clients. Alternatively, LTR may cause clients to buy a security in which LTR or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client and align with investment policies set forth as part of the respective Fund's Offering Documents. LTR has adopted a Code of Ethics, which outlines the procedures regarding personal trading that must be followed (see details below) in such situations.

C. Personal Trading

On occasion employees of LTR may buy for their own accounts securities which LTR also utilizes in its model portfolios. It is possible that officers or employees of LTR may buy or sell securities or other instruments that LTR has made available to clients via the model portfolios, and may engage in transactions for their own account in a manner that is inconsistent with LTR's construction of the model portfolios. Personal securities transactions by employees raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, clients.

In order to mitigate this conflict of interest and to comply with all applicable laws and regulations, LTR's Code of Ethics sets forth the professional and fiduciary standards that all associated persons must follow. The Firm's intention is to protect client interests at all times and to demonstrate LTR's commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected to adhere strictly to the policy and are required to follow specific procedures regarding personal trading, including:

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

LTR and its Associated Persons may also buy or sell specific securities for their own accounts based on personal investment considerations, which LTR does not deem appropriate to buy or sell for clients.

ITEM 12: BROKERAGE PRACTICES

Investment advisers that select or recommend broker-dealers for client transactions are required to disclose their practices. Clients who choose to engage an Independent Manager recommended by LTR should review the Form ADV disclosure brochure of any such Independent Manager for information pertaining to their brokerage practices.

When the Firm places orders for the execution of clients, those transactions are allocated to brokers and dealers for execution in various markets at prices and commission rates that based upon good faith judgment will be in the best interest of the Client. In addition to using brokers as "agents" and paying commissions, the Firm may affect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

The following discussion summarizes the material aspects of the Firm's practices for the selection of broker-dealers to execute Client transactions.

A. Selection Criteria

Under the terms of the investment advisory agreement, clients authorize and instruct LTR to direct brokerage transactions for client assets to Schwab, a FINRA registered broker-dealer and member of SIPC, which provides trade execution and clearing services in addition to traditional brokerage and custody services. As discussed above, LTR also utilizes Schwab's technology platform to determine client portfolio allocations.

The factors that LTR considers in designating Schwab as approved broker include, but are not limited to: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of application programming interfaces and technology; and other factors. Clients should understand that not all investment advisers recommend, request, or require their clients to direct brokerage. However, the direction to trade through Schwab is part of the overall structure of the Firm's online platform because Schwab provides access to certain capabilities that are integral to the advisory services LTR provides.

B. Best Execution

LTR will generally seek "best execution" in light of the circumstances involved in transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. LTR will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. Consistent with the foregoing, while LTR will seek competitive rates, it may not necessarily obtain the lowest possible commission rates.

To ensure that brokerage firms selected by LTR are conducting overall best qualitative execution, LTR will periodically (and no less often than annually) evaluate the trading process and brokers utilized. This evaluation will include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

1. Research and Other Soft Dollar Benefits

LTR maintains relationships with and recommends the services of various qualified third-party broker-dealer custodians. While LTR does not enter into formal "soft dollar arrangements" with those broker/custodians we select, LTR may receive certain benefits. As further described below, such benefits include research reports, services and seminars, computer software and other products and services to assist the Firm in research and other facets of its day-to-day activities. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The Firm's receipt of soft dollar services and products benefit LTR since client brokerage fees are used to obtain such benefits and the Firm does not have to produce or pay for the research, products or services. Consequently, LTR has an incentive to select or recommend a broker-dealer based on these benefits rather than in the clients' interest in receiving most favorable

execution. These practices could also cause clients to pay fees that are higher than those that another qualified broker-dealer might charge to effect the same or similar transaction. To help mitigate the conflicts of interest created by LTR's receipt of soft dollar benefits and to help ensure that broker-dealer custodians recommended by the Firm are conducting overall best qualitative execution, LTR will periodically evaluate its trading process and brokers utilized. LTR will review the brokerage firm's services, their value added to the Firm's investment process along with the broker's ability to affect trades in a fair and timely manner at competitive commission rates. At that time brokerage firms not currently utilized will be considered for inclusion if the Firm deems that such brokerage firms will significantly improve the Firm's overall management of client accounts.

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, Schwab. While clients are required to use Schwab as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with Schwab by entering into a brokerage account agreement directly with Schwab. LTR does not open the account for the client. If the client does not wish to place his or her assets with Schwab, then LTR cannot manage the client's account through the Program. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for LTR's clients and accounts for clients of other independent investment advisory firms using the Platform. Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like LTR. Through Schwab Advisor Services, Schwab provides LTR and our clients, both those enrolled in the Program and clients not enrolled in the Program, with access to its institutional brokerage services— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. LTR believes that its selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only LTR.

2. Directed Brokerage

Clients are not able to direct brokerage. All broker-dealer selections are made by LTR.

C. Trade Aggregation and Allocation

Transactions for each client will be effected independently, unless LTR decides to purchase or sell the same securities for several clients at approximately the same time. LTR will aggregate sale and purchase orders with other client accounts that are looking to trade in the same security at the same time, if in LTR's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits can usually include better transaction prices and lower trade execution costs. LTR may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among LTR's clients (including proprietary accounts) differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If such orders cannot be fully executed under prevailing market conditions, LTR may allocate the securities traded among participating accounts and each similar order in a manner which it considers

equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews and Regular Reports

LTR provides its clients with access to their investment program account information via the internet or via LTR's mobile phone application. Schwab, the broker-dealer and qualified custodian of all client securities, is required to send account statements directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their respective addresses of record or delivered electronically. Clients may also receive periodic e-mail communications regarding their accounts. On at least an annual basis, LTR will contact each client to request that the profile information previously provided be updated, if appropriate due to changes in circumstance. To accomplish this, annually clients will be asked the same risk tolerance questions again to see if the portfolio they have selected is still in line with their goals. Any deviations or changes will be suggested in a similar fashion, with similar disclosures, to the account opening process. LTR will retain the client account profile data.

B. Other Reviews and Triggering Events

In addition to the periodic reviews described above, reviews may be triggered by changes in market conditions, distribution events or other factors that warrant such review.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

As mentioned above, there exists affiliated companies of LTR (due to common ownership), whereby owners of LTR share in profits of such affiliated companies that may be utilized by LTR clients. Please refer to Items 10 above, and/or the respective representative's Form ADV Part 2B, for detailed information regarding these business activities, the compensation received, the related conflicts and how LTR mitigates such conflicts.

Otherwise, LTR or a related person does not have any arrangement, oral or in writing, where it pays cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

B. Compensation for Client Referrals

As described above, LTR will be compensated for its solicitation services by receipt of a fee to be paid directly by the Independent Managers to LTR. Such fee is generally a portion of the investment management fee charged by the designated Independent Manager, which is typically based upon a percentage of the market value of the assets being managed by the designated Independent Manager. The fees charged by Independent Managers will vary dependent upon the Independent Manager selected, the size of the account and the services provided. In addition, the terms of the compensation to be paid to LTR by such Independent Managers will vary dependent upon the Independent Manager selected, and will be set forth in a written agreement between LTR and each Independent Manager for which LTR solicits clients.

LTR does not compensate any third parties for referring clients to the Firm.

ITEM 15: CUSTODY

LTR does not maintain physical custody of any client funds or securities. Certain Independent Managers may be deemed to have custody of client funds or securities under their management. Such assets will typically be held with a broker-dealer, bank or other qualified custodian which will send quarterly, or more frequent, account statements directly to clients. Clients should carefully review those statements. Please refer to the Independent Manager's disclosure brochure for important information about the custodial practices of such Independent Managers.

Under applicable regulations, the Firm is deemed to have custody of client funds or securities by reason of the fact that LTR has authority to debit its fees directly from the client's account. Advisers with custody are generally required to undergo an independent verification of the assets for which the adviser has custody through an annual surprise examination by an independent certified public accountant. However, advisers such as LTR which are deemed to have custody solely as a consequence of the authority to debit fees directly from client accounts are not required to obtain an independent verification of those client funds and securities maintained by a qualified custodian so long as certain steps are followed. Clients should understand that it is their responsibility to ensure that the fee calculation is correct, and not the custodian.

Custody of account assets will be maintained with an independent qualified custodian. Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to any account reports provided by LTR. Please refer to Item 12 for additional important disclosure information relating to LTR's practices and relationships with custodians.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

When providing online investment management services, LTR has full investment discretion to determine within the model portfolios: (1) which securities are to be bought or sold; (2) the amount of securities to be bought or sold; and (3) when transactions are made. This means that LTR does not have to obtain prior consent from clients when buying or selling securities included as part of the model portfolios.

When performing solicitation services, LTR does not accept discretionary authority over client accounts; however, Independent Managers will have investment discretion over client assets invested with such managers, and such authority may in certain circumstances be subject to limitations imposed by clients. Please refer to the applicable Independent Manager's Form ADV disclosure brochure or similar disclosure document for information relating to the discretionary authority of such Independent Managers and the procedures for accepting such discretion.

B. Limited Power of Attorney

For each account LTR manages, the client will establish a Limited Power of Attorney with their custodian authorizing the Firm to give the custodian instructions for the purchase, sale,

conversion, redemption, exchange or retention of any security, cash or cash equivalent for the account.

ITEM 17: VOTING CLIENT SECURITIES

LTR's policy and practice is to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account.

Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. LTR shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. LTR typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

ITEM 18: FINANCIAL INFORMATION

LTR does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. LTR does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to Clients and has not been the subject of a bankruptcy proceeding.