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Form ADV Part 2A-Firm Brochure

April 22, 2021

This brochure provides information about the qualifications and business practices of Waycross Partners, LLC. If you have questions about the contents of the brochure, please contact us at 502-410-1900 or waycross@waycrosspartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Waycross Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Organization CRD Number: 153838.

Item 2 **Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify clients and provide a description of the material changes.

Generally, Waycross Partners, LLC will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

The Brochure dated March 9, 2020 has been updated as of April 22, 2021. Material changes since the last update:

1. As of February 1, 2021, Waycross Partners, LLC underwent a change of control with Matthew Bevin, previously a minority owner of Waycross Partners, made an additional capital contribution to the Firm, which has granted him a controlling stake in the Firm. Benjamin Thomas, through his interests in Waycross Holdings, Inc., will also retain a controlling stake in the adviser.
2. Waycross Partners added a new strategy for clients. The Waycross Diversified Core Strategy is now available to client via separately managed accounts.
3. The Waycross Core 30 Equity Strategy has been renamed the Waycross Focused Core Equity Strategy.
4. Waycross Partners has opened a branch office at 3000 Sawgrass Village Circle, Building 5, Suite 28, Ponte Vedra Beach, FL 32082
5. Waycross Partners is now offering the Waycross Focused Core Equity Strategy through a Mutual Fund, the Waycross Focused Equity Fund ("WAYFX").
6. Waycross Partners, LLC has entered into an agreement to provide all investment advisory services to Waycross GP, LLC, a related advisor.
7. As of 2/18/2021, Christopher Herb has replaced Emily O'Leary in the role of CCO.

Various clarifications have been made throughout this brochure including enhancing our general risk disclosures under Item 8 to address legal and regulatory risk, systems and technology risks, cybersecurity risks and pandemic risks.

Item 3 Table of Contents

Item 2	Material Changes.....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation.....	6
Item 6	Performance-Based Fees and Side-By-Side Management	8
Item 7	Types of Clients.....	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	15
Item 10	Other Financial Industry Activities and Affiliations.....	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12	Brokerage Practices	17
Item 13	Review of Accounts.....	20
Item 14	Client Referrals and Other Compensation.....	21
Item 15	Custody	21
Item 16	Investment Discretion	21
Item 17	Voting Client Securities	22
Item 18	Financial Information.....	24

Item 4 Advisory Business

Waycross Partners, LLC ("Waycross" or "Firm") is an investment management firm with its principal place of business in Louisville, Kentucky and maintains a secondary office in Ponte Vedra Beach. The firm began operations in 2005. Benjamin H. Thomas is the founding partner, Chief Investment Officer, and a member of the Firm's board of Directors. He, through his interests in Waycross Holdings, Inc., will retain a controlling stake in the Firm. Matthew Bevin is a member of the Firm's board of directors and, through his interests in Integrity Holdings, LLC, holds a controlling interest in the Firm. In 2021, Waycross entered into an agreement to provide investment advisory services to Waycross GP, LLC, a related advisor that is wholly owned by Benjamin H. Thomas. Chris Greco is a Principal of the Firm, as well as the CEO and a member of the Firm's board of Directors.

Waycross provides five distinct investment strategies to our clients, which are made up of institutional and high net worth (HNW) individuals. These strategies include the Waycross Long/Short Equity Strategy, the Waycross Long/Short Opportunity Strategy, the Waycross Focused Core Equity Strategy, the Waycross Diversified Core Equity Strategy, and the Waycross Advantage Strategy. In some cases, portfolios can be slightly altered to better fit our client's needs. Clients typically access our strategies through separately managed accounts (SMAs), pooled investment vehicles (40 Act funds, limited partnerships, limited liability companies) or third-party platforms (model portfolios).

The **Waycross Long/Short Equity Strategy** is available to clients through third-party platforms and a 40 Act fund called the Waycross Long/Short Equity Fund (Ticker: WAYEX). Ultimus Fund Solutions, LLC serves as administrator, transfer agent and accounting agent to the 40 Act fund while Ultimus Fund Distributors, LLC is the principal underwriter. The strategy was historically available through a limited partnership, but that vehicle has been dissolved. The Strategy purchases equity and equity-like securities, as well as selling short equities and equity-like investments. Selling a security short involves borrowing a security you do not own and selling it. Collateral is posted and held until the transaction is reversed and the original security is repurchased and returned to the owner.

The Long/Short Equity Strategy seeks to produce strong risk-adjusted returns with lower volatility than the overall equity markets. The Strategy typically targets gross long exposure between 90-100% and gross short exposure between 40-60%. Net market exposure typically ranges from 40% to 60%.

The **Waycross Long/Short Opportunity Strategy** is currently only available to clients through a limited partnership (the "Partnership"). The Partnership seeks capital appreciation and outperformance of the broader equity markets with slightly less market volatility. The strategy targets a net market exposure in the range of 40-80%, but it can range from 0-100%, with a maximum gross exposure (longs plus shorts) of 200%. The resulting portfolio is positioned to participate in equity market up-trends but maintains downside protection.

The Waycross Long/Short Opportunity Strategy uses equity and equity-like securities, options on individual stocks and other equity-like investments, as well as selling short equities and equity-like

investments. The Strategy seeks to generate capital appreciation while controlling the downside risk. The investment style is active and causes significant security turnover in some market conditions.

The **Waycross Focused Core Equity Strategy** is available to clients through SMAs, third-party platforms, and a 40 Act fund called the Waycross Focused Equity Fund (Ticker: WAYFX). Ultimus Fund Solutions, LLC serves as administrator, transfer agent and accounting agent to the 40 Act fund while Ultimus Fund Distributors, LLC is the principal underwriter. The strategy was historically available through SMAs. The Strategy purchases equity and equity-like securities.

The Focused Core Equity Strategy seeks capital appreciation over a full market cycle, which the Fund defines as a sustained upswing in equity markets followed by a pull back, and recovery.

This strategy is a long-only approach, which is likely to appeal to investors interested in portfolios composed of common stocks primarily issued by large and medium capitalization domestic companies which are generally perceived to be high quality. This approach may be suitable for individuals or institutions with long-term investment horizons that are seeking capital appreciation and willing to accept market-like risk.

The **Waycross Diversified Equity Strategy** is available to clients through SMAs and model delivery. The Diversified Equity Strategy seeks capital appreciation over a full market cycle, which the Fund defines as a sustained upswing in equity markets followed by a pull back, and recovery.

This strategy is a long-only approach, which is likely to appeal to investors interested in portfolios composed of common stocks primarily issued by large and medium capitalization domestic companies which are generally perceived to be high quality. This approach may be suitable for individuals or institutions with long-term investment horizons that are seeking capital appreciation and willing to accept market-like risk.

The **Waycross Advantage Strategy** is available to clients via a limited liability company. The Partnership seeks to outperform a traditional, moderate-risk portfolio (60% investment-grade bonds and 40% equities) through the use of private investments, exchange-traded funds ("ETFs"), mutual funds, and individual stock positions. This strategy is likely to appeal to investors looking to increase their exposure to the equity markets while maintaining downside protection.

Waycross also offers models to institutional advisors. These models purchase equity and equity-like securities. The fees associated with the models, as well as the risk parameters, are handled on a case-by-case basis. Potential investors in SMAs are asked to complete a client information profile and investment questionnaire before opening an account in order to determine their investment goals and risk tolerance.

Potential investors in our limited partnership and limited liability company are asked to complete a Purchase Questionnaire and Private Offering Memorandum. Because the Partnership may charge a performance-based fee, they only accept clients who are determined to be "qualified clients" as defined by Rule 205-2 of the Investment Advisers Act. The term "qualified clients" refers to investors

who are financially sophisticated and have a reduced need for the protection provided by certain government filings. "Qualified clients" include:

- a) an individual or entity is a qualified client if he, she, or it:
 - i. has \$1,000,000 or more of assets under management with the investment adviser after the investment in the fund;
 - ii. has a net worth of \$2,100,000 prior to the investment in the fund (excluding the value of his or her primary residence);
 - iii. is a "qualified purchaser"; or

is an officer or director of the fund manager or is an employee who participates in the investment activities of the investment adviser and has been doing so for 12 months.

As of December 31, 2020, we had \$150.1 million in Regulatory Assets Under Management ("RAUM"), and as of February 2, 2021, we had approximately \$1.4 billion in Assets Under Advisement¹. ("AUA") for institutional clients that subscribe to our model delivery business. Our RAUM of \$150.1 million is managed on a discretionary basis while our AUA clients have the ability to impose their own trading restrictions and are therefore considered to be managed on a non-discretionary basis.

Item 5 Fees and Compensation

Waycross Long/Short Opportunity Fund, L.P.

Waycross GP, LLC is compensated by the Partnership \ based on a percentage of the market value of the assets in the Partnership and upon a share of the profits. This is also described as a performance-based fee structure. Waycross GP, LLC outsources all investment advisory services to Waycross.

At the end of each month, Waycross GP, LLC receives a management fee from the Partnership equal to 1/12 of 1.0% per month (1.0% annually) of the net assets (market value before any redemption).

At the end of each limited partner's investment year, as defined in the offering documents, Waycross GP, LLC will be entitled to receive an investment performance allocation equal to twenty percent (20%) of any cumulative new trading profit as of the end of the limited partner's investment year; provided, however, that this payment will be subject to a loss carryforward provision such that the amount, may not exceed 20% of the new trading profit over such limited partner's loss carryforward amount

¹ Assets under advisement represent client assets for which we provide consulting services, but with neither discretionary authority nor responsibility for implementing investment recommendations. Inclusion of these assets will make our asset totals as provided here different from our assets under management as disclosed in Item 5.F of our Form ADV Part 1A, due to specific calculation instructions for Regulatory Assets Under Management.

applicable to the investment year and, provided the limited partner is an “accredited investor” as defined in Item 4.

Waycross GP, LLC, in its sole discretion, has the authority to waive or modify the investment performance allocation and management fee in whole or in part from time to time with respect to any limited partner; it is anticipated that we will waive the investment performance allocation and management fee in its entirety with respect to limited partners who are also members, managers, or employees of Waycross or Waycross GP, LLC.

Waycross Long/Short Equity Fund (“WAYEX”)

WAYEX pays Waycross a fee of 1.25% per annum paid monthly in arrears.

Waycross Focused Equity Fund (“WAYFX”)

WAYFX pays Waycross a fee of 0.99% per annum paid monthly in arrears.

Waycross Advantage Fund, LLC (the “LLC”)

Waycross GP, LLC is compensated by the LLC for its services based on a percentage of the market value of the assets in the LLC. Waycross GP, LLC outsources all investment advisory services to Waycross.

At the end of each month, Waycross GP, LLC receives a management fee from the LLC equal to 1/12 of 1.0% per month (1.0% annually) of the net assets (market value before any redemption).

Waycross GP, LLC, in its sole discretion, has the authority to waive or modify the investment performance allocation and management fee in whole or in part from time to time with respect to any member; it is anticipated that we will waive the management fee in its entirety with respect to limited partners who are also members, managers, or employees of Waycross GP, LLC or Waycross.

Separately Managed Accounts (SMAs)

Investors in the individually managed accounts compensate Waycross for its investment supervisory services based on a percentage of the market value of the assets in their portfolio. Fees are billed quarterly and paid in arrears. Clients can choose to pay the bill directly or elect, in writing, to have the fee deducted from the account by the custodian.

The annual fee schedule (listed below) is calculated and billed on the calendar quarter, based on the average month-end market value. Waycross will modify this fee for certain large accounts or waive the fee for employees, partners, and immediate family members of Waycross GP, LLC or Waycross.

Waycross Focused Core Equity Strategy

- First \$1M 1.00%
- Next \$4M 0.65%
- Next \$45M 0.55%

- Balance 0.50%

The client may terminate the agreement at any time upon written notice to Waycross and a pro rata portion of the quarterly fee will be applied.

Advisory fees discussed include payment solely for the investment advisory services provided by the Firm, which do not include mark-ups, markdowns, payment of brokerage commissions, custody fees, SEC fees, internal fees and expenses charged by funds, or other transaction costs. The custodian may charge transaction fees or commissions, wiring charges and other account maintenance fees. Waycross does not receive any of these fees.

As appropriate, SMA clients of Waycross may be solicited to invest in the Partnership, LLC, WAYFX or WAYEX. Under these circumstances, the portion of the client's account invested in the Partnership, LLC, WAYFX or WAYEX is excluded from the advisory fee calculation. With respect to the investment in the Partnership; however, the client will incur a pro rata share of fees and expenses, including a performance-based fee, as set forth in the applicable Partnership offering documents. With respect to the investment in the LLC, however, the client will incur a pro rata share of fees and expenses, as set forth in the applicable LLC offering documents. SMA clients are under no obligation to invest in the Partnership, LLC, WAYFX or WAYEX. Any investment in the Partnership or LLC will be made only after the client has received the proper offering and subscription documentation and has had ample opportunity to review such documentation and to ask questions, if necessary.

Item 6 Performance-Based Fees and Side-By-Side Management

Waycross GP, LLC charges the limited partners of the Partnership a fee based on a percentage of the profits generated by the investments in the Partnership. Higher profits produced in the Partnership also lead to higher fees. Performance-based fees are considered a conflict of interest. Potential conflicts of interest are mitigated through adherence to the strategy guidelines, exposures, and established risk parameters.

The performance-based fee calculation is described in Item 5 and only charged to "qualified clients" as defined in Item 4. The other accounts managed by Waycross are not charged a performance-based fee.

Waycross may manage, at the same time, accounts that are charged a performance-based fee and accounts that are charged a fee only based on assets under management (referred to as "side-by-side" management). As a result, Waycross has an incentive to favor accounts for which Waycross receives a performance-based fee because such accounts could generate higher compensation. Clients should be aware that this creates a conflict of interest and may indirectly influence the way Waycross manages the client's account. To address these conflicts of interest, Waycross has developed and implemented a Compliance Program, which includes a review of the services and the fees charged to clients.

As part of Waycross' duties to clients, Waycross endeavors at all times to treat clients fairly without advantaging any client over another or benefiting Waycross to the detriment of the advisory clients.

Item 7 Types of Clients

Waycross offers investment advice to individuals, high net worth (HNW) individuals, trusts, corporations, charitable organizations, small businesses, registered investment companies, and other pooled investment vehicles.

Waycross GP, LLC generally requires a minimum investment of \$1,000,000 to participate in the Partnership or LLC. Waycross GP, LLC has the ability to waive this requirement at its discretion.

We generally require that an individual client invest at least \$1,000,000 in our Separately Managed Accounts (SMAs). We waive this minimum when a client has assets invested in other strategies or we believe the relationship may grow to the \$1,000,000 minimum.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Waycross Long/Short Opportunity Fund, L.P.

Waycross makes use of deep fundamental research of companies and industries in the evaluation of all potential investments, both long and short investment ideas. Investments are publicly traded equity securities, principally common stocks, but to a lesser degree, convertible preferred stocks, mutual funds, ETFs, and other investment vehicles with equity-like characteristic including stock options. The long-term goal is capital appreciation, while controlling down-side risk and protecting principal. There can be no assurance that we will achieve these investment goals.

The Waycross portfolio management team rigorously analyzes each investment candidate, evaluating company-specific metrics ("key factors") deemed most likely to affect annual earnings. These key factors are identified and compared to the general economic outlook in order to assess the likelihood of persistence. Companies are selected based on an assessment of these key factors. Most of the investments are made in mid and large capitalization stocks.

Generally, the common stock of companies which exhibit, or are likely to exhibit, an increasing revenue growth trend and stable or improving margins are potential candidates for purchase, while companies with flat or declining revenue trends and poor margins are candidates to sell their stocks short.

Though each potential investment is carefully analyzed, some additional factors, known or unknown, can cause the investment to lose money.

MATERIAL RISKS

An investment in the Waycross Long/Short Opportunity Fund, L.P involves financial and other risks and is only suitable for sophisticated investors who are using the strategies as part of an investment program and not their total investment portfolio. Potential investors should carefully review the risks involved in the context of their overall financial circumstances.

The Strategy holds investments in equity and equity-like securities that fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic conditions, such as a broad decline in stock market prices, conditions faced by a specific sector, such as a group of stocks in the same or comparable industries declining similarly, or by conditions affecting specific issuers, such as changes in earnings forecasts.

The Strategy engages in short sale transactions which involves the sale of securities that the fund does not own. This is done with the expectation that the security can be repurchased at a lower price sometime in the future. In a generally rising equity market, short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value.

Investments made in our limited partnership have limited liquidity and are not freely transferable. Withdrawals are subject to restrictions and are generally only permitted at certain times and after prior written notice.

Though each potential investment is carefully analyzed, some additional factors, known or unknown, can cause the investment to lose money.

INVESTORS IN THE LIMITED PARTNERSHIP SHOULD BE ABLE TO BEAR A LOSS OF ALL OR PART OF PRINCIPLE INVESTMENT.

Waycross Long/Short Equity Fund ("WAYEX")

WAYEX pursues its investment objective by investing under normal circumstances in long and short equity positions. Long positions are purchased with the intended goal of benefitting from rising valuations. When the Mutual Fund takes a long position in a security, it purchases the security outright.

Long positions principally consist of a portfolio of common stocks of mid-capitalization and large-capitalization companies with low valuations based on the Waycross' proprietary analysis. Waycross rigorously analyzes each investment candidate, evaluating company-specific metrics ("Key Factors") that it deems most likely to affect annual earnings, and then ranks the companies based on an assessment of these Key Factors. Following further analysis, Waycross buys stocks for the WAYEX mutual fund that it determines to have improving Key Factors that are available at reasonable valuations.

When the Mutual Fund takes a short position, it sells a security it does not own at the current market price by borrowing the security. WAYEX then hopes to be able to replace the borrowed security by

purchasing the security later at a price lower than the price at which it sold the security short. Under normal circumstances, WAYEX will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in equity securities traded in the U.S.

WAYEX will generally establish short positions in common stocks of mid-capitalization and large-capitalization companies. Securities are sold short based on the following criteria: 1) to seek to take advantage of companies that Waycross has identified as overvalued; 2) when Waycross determines that a company's Key Factors are weakening; and/or 3) to hedge market exposures from the WAYEX mutual fund's long positions.

Waycross will generally sell a long position when there is a material adverse change in the issuer's Key Factors and will generally cover a short position when there is a material positive change in the issuer's Key Factors. Further, when a security reaches or exceeds what the Firm determines to be a fair value, the strategy typically requires that a security be sold (or covered in the case of a short sell). A security position may also be sold when Waycross believes other investment opportunities are more attractive or that the security is unlikely to benefit from current business, market or economic conditions if a long position or the company's prospects have improved in the case of a short position. The WAYEX mutual fund may engage in frequent and active trading of securities as part of its principal investment strategy.

It is expected that the WAYEX mutual fund will generally maintain a net long exposure (i.e., the market value of the Fund's long positions minus the market value of the Fund's short positions) of 40-60% under normal market conditions and, at most, 60%.

MATERIAL RISKS

As with any mutual fund investment, there is a risk that you could lose money by investing in WAYEX. The success of the investment strategy depends largely upon the Firm's skill in selecting securities for purchase and sale by the mutual fund and there is no assurance that the WAYEX Mutual Fund will achieve its investment objective. Because of the types of securities in which the mutual fund invests and the investment techniques the Firm uses, the Mutual Fund is designed for investors who are investing for the long term. The Mutual Fund may not be appropriate for use as a complete investment program. Investors in the Mutual Fund must be prepared to bear the risk of loss.

Waycross Focused Equity Fund ("WAYFX")

WAYFX pursues its investment objective by investing under normal circumstances in long equity positions. Long positions are purchased with the intended goal of benefitting from rising valuations. When the Mutual Fund takes a long position in a security, it purchases the security outright.

The positions principally consist of a portfolio of common stocks of mid-capitalization and large-capitalization companies with low valuations based on the Waycross' proprietary analysis. Waycross rigorously analyzes each investment candidate, evaluating company-specific metrics ("Key Factors") that it deems most likely to affect annual earnings, and then ranks the companies based on an assessment of these Key Factors. Following further analysis, Waycross buys stocks for the WAYFX

mutual fund that it determines to have improving Key Factors that are available at reasonable valuations.

Waycross will generally sell a position when there is a material adverse change in the issuer's Key Factors. Further, when a security reaches or exceeds what the advisor determines to be a fair value, the strategy typically requires that a security be sold. A security position may also be sold when Waycross believes other investment opportunities are more attractive or that the security is unlikely to benefit from current business, market or economic conditions. The WAYFX mutual fund may engage in frequent and active trading of securities as part of its principal investment strategy.

MATERIAL RISKS

As with any mutual fund investment, there is a risk that you could lose money by investing in WAYFX. The success of the investment strategy depends largely upon the adviser's skill in selecting securities for purchase and sale by the mutual fund and there is no assurance that the WAYFX Mutual Fund will achieve its investment objective. Because of the types of securities in which the mutual fund invests and the investment techniques the adviser uses, the Mutual Fund is designed for investors who are investing for the long term. The Mutual Fund may not be appropriate for use as a complete investment program. Investors in the Mutual Fund must be prepared to bear the risk of loss.

Waycross Advantage Fund, LLC

The Waycross Advantage Fund, LLC combines the deep fundamental research of companies and industries utilized in the Waycross Long/Short Opportunity Fund, LP with a liquid and diversified bond ETF in order to reduce volatility while also increasing the equity exposure of a client's portfolio. Investments in private investments, which may include certain private funds managed by an Affiliate of the Firm, may comprise up to 80% of the total market value of the portfolio. Investments in investment-grade bonds, which may include individual bonds, bond funds and bond ETFs, may comprise up to 80% of the total market value of the portfolio. Mid-cap and large-cap equity securities may comprise up to 50% of the total market value of the portfolio. In certain limited circumstances, the Fund may invest in mutual funds and other investment companies registered under the Investment Company Act of 1940, including mutual funds sponsored by Affiliates of the Firm.

MATERIAL RISKS

An investment in the Waycross Advantage Fund, LLC involves financial and other risks and is only suitable for sophisticated investors who are using the strategies as part of an investment program and not their total investment portfolio. Potential investors should carefully review the risks involved in the context of their overall financial circumstances.

The Strategy holds investments in equity and equity-like securities that fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic conditions, such as a broad decline in stock market prices, conditions faced by a specific sector, such as a group of stocks in the same or comparable industries declining similarly, or by conditions affecting specific issuers, such as changes in earnings forecasts.

The Strategy may invest in partnerships that engage in short sale transactions which involves the sale of securities that the fund does not own. This is done with the expectation that the security can be repurchased at a lower price sometime in the future. In a generally rising equity market, short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value.

The Strategy may invest in bonds, or in mutual funds or ETFs that invest in bonds. Bonds are subject to interest rate risk, which generally means that when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. The return on bonds is dependent on the issuer of the security meeting its commitment to making agreed upon payments, which is referred to as credit risk.

The market value of an ETF's shares may differ from its net asset value ("NAV"). This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the ETF's underlying basket of securities. Accordingly, there may be times when an ETF trades at a premium or discount. This can create the risk that the Fund's value is reduced for undervalued ETFs it holds, and that the Fund receives less than NAV when selling an ETF.

Investments made in our limited liability company have limited liquidity and are not freely transferable. Withdrawals are subject to restrictions and are generally only permitted at certain times and after prior written notice.

Though each potential investment is carefully analyzed, some additional factors, known or unknown, can cause the investment to lose money.

INVESTORS IN THE LIMITED LIABILITY COMPANY SHOULD BE ABLE TO BEAR A LOSS OF ALL OR PART OF PRINCIPLE INVESTMENT.

Separately Managed Accounts ("SMAs")

Separately Managed Account portfolios are created after discussing each client's investment goals and objectives. A client's risk tolerance drives the asset allocation target for the equity/fixed income split in the portfolio.

The equity selection process utilizes the same deep fundamental research described above to identify attractive investment opportunities in primarily mid and large capitalization common stocks. Preference is given to reasonable priced stocks of companies which have strong business models and positive earnings outlooks. Investments are chosen with a longer-term time horizon in mind and security annual turnover will normally be low. The portfolio is diversified across the economic sectors. Changes to the portfolio are made when a company's mid to long term outlook changes or when general economic conditions affect the portfolios.

Fixed income investments are composed of commingled investments such as mutual funds, ETFs, and money market funds. Fixed income type investments are selected with the purpose of protecting capital and generating income.

MATERIAL RISKS

All of the investments in the SMAs are subject to changes in market value and may lose principal value. Changing economic conditions, political environment, company specific earnings outlook, and interest rate levels may cause changes in portfolio value. These items, and others, may cause your account to generate both short term and long-term taxable gains and losses. You should be prepared to bear the risk of loss.

GENERAL RISKS

Legal and Regulatory Matters Risks: Legal developments which may adversely impact investing and investment-related activities can occur at any time. "Legal Developments" means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

System Failures and Reliance on Technology Risks: Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems' conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

Cybersecurity Risk: A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or

unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers’ and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

Pandemic Risks: The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. This pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above. There can be no assurance the portfolio will attain its investment objectives and can lose money.

Item 9 Disciplinary Information

There have been no disciplinary or legal actions taken against Waycross, nor any member of the organization.

Item 10 Other Financial Industry Activities and Affiliations

No employee of Waycross is a registered broker-dealer, commodity trading adviser, or involved in selling insurance or any financial products.

Waycross Holdings, Inc. is a controlling party of Waycross. Benjamin H. Thomas is the President of Waycross Holdings, Inc.

Integrity Holdings, LLC is a controlling party of Waycross. Mathew Bevin is the Managing Member of Integrity Holdings, LLC.

Waycross has an agreement to provide investment advisory services for Waycross GP, LLC. Waycross is the general partner of Waycross Long/Short Opportunity Fund, L.P. and the Manager of the Waycross Advantage Fund, LLC.

Waycross is also the investment manager of Waycross Long/Short Equity Fund ("WAYEX") and the Waycross Focused Equity Fund ("WAYFX").

Waycross does not recommend or select other investment advisers for our clients nor have other business relationships with those advisers for which we receive compensation directly or indirectly from those advisers.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Each employee must act in accordance with the Firm's and each individual's fiduciary responsibility. The Waycross Code of Ethics includes the following standards:

- i. Place the interest of the clients first;
- ii. All personal securities transactions must be conducted in such a manner as to be consistent with the Firm's compliance program and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- iii. All material facts concerning any conflict of interest must be disclosed;
- iv. Employees must not take inappropriate advantage of their positions;
- v. Information concerning the identity of security holdings and financial circumstances of clients is confidential;
- vi. Independence in the investment decision-making process is paramount;
- vii. All employees must comply with applicable federal securities law; and
- viii. All employees are to report violations of the Firm's code of ethics promptly to the Chief Compliance Officer.

In addition, Waycross has adopted the CFA Institute's Asset Manager Code of Professional Conduct. Embedded in this Code of Conduct is also a Code of Ethics and Standards of Professional Conduct.

A copy of these Codes is available upon request or can be viewed at the following link.

<http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>

Waycross buys and sells securities for proprietary accounts that are also recommended to clients. Advisory representatives and employees are also permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for client account(s). The personal securities transactions by advisory representatives and employees raise the potential for conflicts of interest when they trade in a security that is owned by you or considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. At the time of employment, and annually, each employee signs a statement agreeing to abide by our policies and procedures. These policies and procedures:

- i. require our advisory representatives and employees to act in your best interest,
- ii. prohibit favoring one client over another, and
- iii. provide for the review of transactions to discover and correct any trades placed on the same day as that of a client.

More specifically, Waycross investment professionals may not trade any publicly traded securities listed under the Firm's restricted coverage list unless each trade is approved in advance by our Chief Compliance Officer or his designee. No investment professional may trade a security at any time within one day before or after an account executes a trade with respect to such security. All investment professionals of Waycross are required to submit reports to the Chief Compliance Officer of all personal trades in publicly traded equity securities not later than 30 days after the end of each calendar quarter. Advisory representatives and employees must follow Firm procedures when purchasing or selling the same securities purchased or sold for clients.

As disclosed above, Waycross is the general partner to Waycross Long/Short Opportunity Fund, L.P. Waycross recommends, on a fully disclosed basis, that certain clients invest in the Funds. As such, a conflict of interest exists to the extent that Waycross recommends that clients invest in the Private Fund. Waycross does not receive any additional compensation if a client invests in the Fund. Nonetheless, a conflict of interest exists when Waycross recommends that its advisory clients invest in the Fund because of the Firm's desire to promote the success of the Fund and because of the potential for Waycross to earn more compensation from managing the client's assets through the Fund in the form of performance fees. Nonetheless, the Firm requires that any recommendations made to clients to invest in the Funds be in the best interest of its clients.

Item 12 Brokerage Practices

Waycross Long/Short Opportunity Fund, L.P., Waycross Advantage Fund, LLC, WAYEX and WAYFX

Waycross is responsible for the placement of the portfolio transactions of the Partnership, the LLC, WAYEX, WAYFX and the negotiation of any commissions or spreads paid on such transactions. Portfolio securities normally will be purchased through brokers on securities exchanges or directly

from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through broker-dealers involve a commission to the broker-dealers.

Purchases of portfolio securities from broker-dealers serving as market makers include the spread between the bid and the asked price. Securities transactions will be executed by broker-dealers selected by Waycross in its sole discretion. In appointing additional prime brokers or broker-dealers, Waycross may select such broker-dealers on the basis of a variety of factors, including the following: the ability to affect prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, the competitiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying Waycross' other selection criteria.

Wayscross engages in soft dollar transactions. A potential exists for a conflict of interest to arise if commissions are used to pay for services that could be considered "mixed use" i.e., products or services that provide both research and non-research benefits. If this condition does arise, we will make a good faith effort to allocate such items reasonably and prepare and maintain appropriate records.

In addition, Wayscross may execute trades with broker-dealers with whom the Partnership, the LLC, WAYEX, and WAYFX has other business relationships, including prime brokerage, credit relationships and capital introduction relationships or with broker-dealers that have invested, either directly or through affiliates, in entities managed by Wayscross. Wayscross is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with investment and research information or to pay higher commissions to such firms if Wayscross determines such prices or commissions are reasonable in relation to the overall services provided. A portion of the commissions generated on the brokerage transactions generate "soft dollar" credits that Wayscross will be authorized to use to pay for research or brokerage services used by Wayscross consistent with the "safe harbor" provisions of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act").

Research services furnished by broker-dealers include, but are not limited to, written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies, and forecasts; statistics and pricing or appraisal services, as well as discussion with research personnel. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Research and execution services furnished by broker-dealers may be used in servicing any or all of the clients of the Firm and may be used in connection with accounts other than those which pay commissions to the broker-dealer providing the products and services.

Separately Managed Accounts (SMAs)

Brokerage for SMAs, the commission rates paid, and the broker-dealers selected for the execution of the transactions are determined by Waycross.

Aggregation of Transactions

Wayscross aggregates transactions across its Partnership, LLC, WAYEX, WAYFX, and SMAs when in its clients' best interest. Wayscross must reasonably believe that the block trade is consistent with its efforts to achieve best execution and will benefit each client participating in the block trade equally. The average price of the security in each block trade is allocated to each account that participates in the trade. Client accounts that participate in the same block trade are charged commissions, if applicable, as described in their advisory agreements.

Prior to entry of a block trade, a written pre-allocation worksheet is generated which identifies the group of client accounts participating in the order. If a block trade cannot be fully executed by the end of the business day, the securities purchased or sold are allocated in a way that is consistent with the initial pre-allocation of the trade. This is done in a way that does not advantage or disadvantage any client accounts. If an account is added to the block trade after the first business day of trading, it is accorded a prorated share of the remaining block as it is traded.

Changes in allocation before final execution may be made provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation is documented no later than the morning following the execution of the trade.

Where Wayscross executes orders directly for its advisory clients, Wayscross has implemented a process to enter client orders received contemporaneously by the Trading Desk on a rotational basis for fairness to its advisory clients. No personal transactions for any Wayscross employees are ever aggregated with Wayscross client transactions.

Initial Public Offerings

From time to time as permitted by applicable offering documents, Wayscross purchases securities that are part of an initial public offering (IPOs) or new issues in accordance with applicable Financial Industry Regulatory Authority (FINRA) rules. FINRA rules prohibit certain "Restricted Persons" from participating in IPOs or new issues. Therefore, the profits and losses from IPOs or new issues will generally be allocated to Investors in the Partnership and LLC that are not Restricted Persons. Nevertheless, Wayscross may avail itself of a "de minimis" exemption pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons.

Accordingly, the rate-of-return experienced by investors who participate fully in the profits and losses from IPOs or new issues may differ materially from that of investors who are Restricted Persons. Investors should review the respective offering document of the Partnership for complete information on new issues restrictions.

In addition, with respect to the SMAs, Waycross' policy is to allocate investment opportunities among these SMAs fairly and equitably.

It is Waycross' policy that a client must not be disadvantaged for trade errors attributed to Waycross. Trades are amended to reflect the original intent for the client. If this change results in a loss, Waycross will reimburse this loss to the client. If this change results in a gain, that gain is applied to the client's account.

Waycross does not receive client referrals from executing broker/dealers.

Item 13 Review of Accounts

Waycross Long/Short Opportunity Fund, L.P., Waycross Advantage Fund, LLC, WAYFX, and WAYEX

The investments in the portfolios which constitute the Partnership, LLC, WAYFX, and WAYEX are monitored daily. Each morning, the news and price action of the securities in the portfolios are reviewed. Any information that is likely to change our outlook on the economic factors that constituted the basis for our positions in the investments is discussed by the investment team. Special consideration is given to any information that we feel may change the near-term earnings outlook for a company.

Unexplained price action of a stock can also trigger a more thorough investigation of what factors may be causing significant gains or losses.

A decision to buy or sell a security is normally based upon a combination of bottom-up and top-down evaluation process with a longer-term focus.

The investments are reviewed each day the New York Stock Exchange is open for business by Benjamin Thomas, the Chief Investment Officer and/or other investment professionals at Waycross.

Separately Managed Accounts (SMAs)

The holdings in the individually managed portfolios are selected based upon their strong business positions and long-term profit outlook, and therefore, low security turnover is anticipated. However, news affecting the holdings is reviewed daily and each portfolio is reviewed weekly by the investment professionals of Waycross to insure proper cash flow management and security weighting.

For portfolios which contain fixed income type investments, the percentage weighting of equity and equity-like investments and bonds and bond-like investments will be reviewed at least monthly and rebalanced when market conditions seem appropriate.

Item 14 Client Referrals and Other Compensation

Waycross does, from time to time, enter into referral agreements with outside third parties who refer clients to us. We compensate these parties by sharing a portion of the fees paid by the client. The management fees paid by an investor are not increased as a result of any arrangement. When this type of arrangement is employed, it is fully disclosed, in writing, to the client at the time of the referral.

Item 15 Custody

We do not serve as the qualified custodian of client accounts. However, because we act as investment adviser and manager to the Partnership and LLC, Waycross is deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have the Partnership and LLC audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We seek to send the audited financials to each investor within 120 days of the Fund's fiscal year end.

In addition, Waycross is deemed to have "constructive custody" under regulatory guidelines to the extent certain clients authorize Waycross to directly debit the Firm's advisory fees from the client's independent custodian consistent with industry practices and regulatory guidelines.

The SMAs advised by Waycross receive periodic portfolio statements and/or commentary from Waycross. SMA clients receive monthly statements from their independent brokerage or bank qualified custodians. Waycross provides clients with itemized fee invoices on a calendar quarterly basis which includes a complete breakdown of how the fee is calculated. Clients are urged to carefully review each statement and fee invoice in order to verify that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Waycross has full investment discretion to buy and sell securities on behalf of the Partnership and LLC. Investors sign a subscription agreement that provides Waycross limited power of attorney.

Clients that have SMAs execute an investment management agreement that includes a limited power of attorney giving Waycross full discretion to manage their portfolios.

Under certain circumstances, Waycross provides model portfolios to institutional investors. Assets invested through these models are done at the advisement of Waycross, but Waycross has no discretion or visibility as to how or when the models are applied.

Item 17 Voting Client Securities

The Partnership, LLC, WAYFX, and WAYEX

Waycross recognizes that the proxies of publicly traded companies represent assets of each investment vehicle and that there is a duty to vote them in an informed and responsible manner. This obligation includes the paramount duty to vote shares in the best interests of the clients.

We have adopted general guidelines for voting proxies as summarized below. In keeping with its fiduciary obligations to clients, we review all proposals, even those that may be considered to be routine matters. Although these guidelines are to be followed as a general policy, in all cases, each proxy and proposal will be considered based on the relevant facts and circumstances. Waycross may deviate from the general policies and procedures when it determines that the particular facts and circumstances warrant such deviation to protect the interests of their investors. These guidelines cannot provide an exhaustive list of all the issues that may arise, nor can Waycross anticipate all future situations. Corporate governance issues are diverse and continually evolving, and Waycross devotes significant time and resources to monitor these changes.

Though none are anticipated, where conflicts of interest may arise, all issues will be resolved in the interest of investors.

The following guidelines reflect what Waycross believes to be good corporate governance and behavior:

Board of Directors: The election of directors and an independent board are key to good corporate governance. Directors are expected to be competent individuals and they should be accountable and responsive to shareholders. Waycross supports an independent board of directors, and prefers that key committees such as audit, nominating, and compensation committees be comprised of independent directors. Waycross will generally vote against management efforts to classify a board and generally support proposals to declassify the board of directors. Waycross will consider withholding votes from directors who have poor attendance records at board meetings. Waycross generally favors separating the Board Chairman position from the Chief Executive Officer position and will review this issue on a case-by-case basis, taking into consideration other factors, including the company's corporate governance guidelines and performance.

Ratification of Auditors: Waycross will closely scrutinize the role and performance of the auditors and examine proposals relating to non-audit relationships and non-audit fees and on a case-by-case basis consider proposals to rotate auditors.

Management & Director Compensation: Waycross believes that executive compensation should be directly linked to the long-term performance of the company and will generally support equity-based bonus plans for top executives as long as the outcomes look to be fair and reasonable. Waycross will generally oppose plans that have the potential to be excessively dilutive. Waycross will generally support employee stock option plans in which the purchase price is at least 85% of the fair market value, and when potential dilution is 10% or less.

Severance compensation arrangements will be reviewed on a case-by-case basis, although Waycross will generally oppose “golden parachutes” that are considered excessive, and support proposals that require that a percentage of directors’ compensation be in the form of common stock.

Anti-Takeover Mechanisms and Related Issues: Waycross generally opposes anti-takeover measures since they tend to reduce shareholder rights. Waycross will evaluate shareholders rights plans on a case-by-case basis to determine whether or not they warrant support. Waycross will vote against any proposal to issue stock that has unequal or subordinated voting rights.

Change to Capital Structure: Waycross will review proposals by companies to increase authorized shares and the purpose for the increase. Waycross will generally not vote in favor of dual-class capital structures to increase the number of authorized shares where that class of stock would have superior voting rights. Waycross will generally vote in favor of the issuance of preferred stock in cases where the company specifies the voting, dividend, conversion and other rights of such stock and the terms of the preferred stock issuance are deemed reasonable.

Mergers and Corporate Restructuring: Mergers and acquisitions will be analyzed to determine whether they would be beneficial to shareholders. Waycross will analyze various economic and strategic factors in making the final decisions on a merger or acquisition. Corporate restructuring proposals are also subject to a thorough review.

Social and Corporate Policy Issues: As a fiduciary, Waycross is concerned with the economic well-being of all the stakeholders but has a specific duty to Partnership investors. Waycross will generally give management discretion with regard to social, environment and ethical issues, although Waycross may vote in favor of those issues that are believed to have significant economic benefits or implications.

Separately Managed Accounts (SMAs)

We vote the proxies of securities held in individually managed accounts based upon the elections made by the client. For accounts that Waycross is not granted authority to vote on the client’s behalf, clients are encouraged to vote their proxies in a manner consistent with their best interests.

Class Actions and Legal Proceedings

Portfolio companies currently or formerly held in Waycross client accounts may become subject to class actions, bankruptcy, or other legal proceedings. Waycross does not monitor for, act on behalf of clients in, or assist clients in any such proceedings. To the extent requested in the client’s investment

management agreement, Waycross will use best efforts to forward to the client notices received related to proceedings for their specific account.

Proxy Voting Records

Clients may obtain a copy of the proxy voting record or a copy of the Waycross proxy voting procedures by contacting our office at (502) 410-1900 or by email inquiry at waycross@waycrosspartners.com.

Item 18 Financial Information

As a matter of firm policy and practice, our Firm will not charge or earn advisory fees in excess of \$1,200 more than six months in advance of the services rendered.

Neither the Partnerships nor their representatives have been subject to any bankruptcy proceeding during the last ten years and we are not aware of any financial impairment that would preclude Waycross from fulfilling its obligations to deliver the agreed upon products or services to its clients.