



## Firm Brochure

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*This brochure provides information about the qualifications and business practices of Market Guard™, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Firm "registration" does not imply a certain level of skill or training but only indicates that Market Guard™ has registered its business with state and/or federal regulatory authorities. Furthermore, the information contained within this brochure has not been approved or verified by any state authority or the SEC.*

*If you have any questions about the contents of this brochure, please contact us at (720) 457-6844 or by email at: [Compliance@MarketGuard.com](mailto:Compliance@MarketGuard.com).*

*Additional information about Market Guard™ is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) Market Guard™ CRD number is: 153241*

## **Item 2: Material Changes**

There have been no material changes since the last annual amendment filed on March 28, 2020.

We may, at any time, update this Disclosure Brochure and send a copy to you with a summary of material changes, or a summary of material changes that includes an offer to send you a copy either by electronic means (email) or in hard copy form.

If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may reach us with the provided contact on the cover letter.

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#### **Item 4: Advisory Business**

##### **A. Description of the Advisory Firm**

Market Guard™ specializes in the following types of services: Model Portfolio Management and Financial Planning. We are committed to providing our Clients with diversified investment advisory services and products. We offer individualized investment analysis and advice to Clients, utilizing our firm's Financial Planning and Model Portfolio Management service, as well as individualized Portfolio Management for investments.

Our firm is owned by Jenkins Wealth, Inc., a Colorado Corporation. Our operational hours are Monday – Friday from 8:00 am – 5:00 pm MST. All meetings are conducted by appointment only.

##### **B. Types of Advisory Services**

Our Financial Planning and Portfolio Management service encompasses asset management, as well as providing financial planning/financial consulting to Clients. It is designed to assist Clients in meeting their financial goals through the use of various financial investments. We conduct at least one, but sometimes more than one, meetings with a potential Client in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on the information that we are provided, we construct, as well as advise, an investment approach to the Client. Typically, we will propose an investment portfolio using our trading methodology and model portfolios (named Market Guard™), which consists of various index-based exchange traded funds (ETFs). Furthermore, based on an individual client's financial needs, we will also consider individual stock, bonds, or other securities as well. Typically, we also recommend the use of Insurance products to our clients, based on their individual needs/situation (Please see Item 10 for potential conflicts of interest). Upon the Client's agreement to the proposed investment plan, we work with the Client to establish or transfer investment accounts so that we can manage the Client's portfolio. Once the relevant accounts are under Market Guard™ management, we review such accounts and positions on at least an annual basis. We reserve the right to periodically rebalance or adjust Client accounts under our management, based on market situation or underlying investments as well as changes to a Client's risk tolerance or financial situation. If the Client experiences any significant changes to his/her financial or personal circumstances, the Client must notify us so that we can consider such information in managing the Client's investments.

##### **Portfolio Management Only**

Clients may choose to only participate with a portion of their assets in the Market Guard™ trading strategy and forego any overall financial planning. If a Client were to choose this path, the Investment Advisory Representative will discuss with the Client the benefits and risks to their portfolio selection before incepting such account(s).

##### **Financial Planning Only**

Financial plans and financial planning include, but are not limited to, investment planning, life insurance, tax concerns, retirement planning, college planning, and debit/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

### **Market Guard™ Specially Managed Option Strategy**

Market Guard™, after review for suitability, can offer certain clients a specially managed option strategy. Market Guard™ primarily utilizes the CSEP (Cash Secured Equity Put) strategy where we will write put options against index-based ETFs using a “laddered” approach. In general, we will set the strike and duration of these options in varying intervals. These puts are then secured with the client’s money market or other cash equivalent balance. Market Guard™ will also utilize a Buy-Write strategy wherein we will write a covered call position against an existing long equity holding inside the client’s account. Any or all of these strategies will be used either alone or in conjunction with each other inside each individual client’s separately managed accounts, based on investment suitability and appropriateness.

It is important to note that these accounts require significantly more advisory review as well as a more personalized level of trading activity. Due to this increased amount of service, these accounts carry a higher Advisory fee as discussed in Item 5.

### **Selection of Other Advisers or Money Managers**

Occasionally, Market Guard™ directs Clients to a third-party money manager and/or other Advisers for a portion of their overall Household assets. For these purposes, Market Guard™ has chosen to work with Asset Mark. We utilize the Asset Mark portfolios in order to add a level of diversification to our asset allocation. Due to the increased operational services offered by Asset Mark, these types of accounts can carry a higher overall management fee as discussed in Item 5.

Market Guard™ will assist our clients in selecting the risk/return objective and Portfolio Strategies that best suit the client’s stated objectives. The client then specifically directs the account to be invested in accordance with the chosen investment solution. After the investment solution has been selected, the client further directs that the account be automatically adjusted to reflect any adjustment made in the asset allocation by the selected Portfolio Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs, in client accounts, without further authorization by the client or any other party; occurring when the Portfolio Strategist changes the composition of the selected model asset allocation.

The client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time. Market Guard™ has no authority to purchase or sell securities in any client account, change the selected asset allocation model, or to direct the account to be invested in any other manner without prior client authorization.

### **C. Client Tailored Services and Client Imposed Restrictions**

We usually do not allow clients to impose restrictions on our investing in certain securities due to the level of difficulty required to manage them successfully. However, in the rare instance that we would allow restrictions, it would be with special consideration of the Management Team at Market Guard™. If at any time these restrictions were too cumbersome to maintain, Market Guard™ reserves the right to terminate the account and/or client relationship.

#### D. Wrap Fee Programs

Market Guard™ does not participate in any wrap fee programs.

#### E. Assets Under Management

Market Guard™ holds Discretionary Assets Under Management of **\$244,227,371** as of March 15, 2021

#### Item 5: Fees and Compensation

##### Market Guard™ Model Portfolios

##### Market Guard™ Model Portfolios

Household Amount Under Management	Market Guard™ Platform Fee	Financial Advisor Fee
First \$0.00 - \$499,999	0.70%	Up to a Maximum of 1%
Next: \$500,000 - \$999,999	0.65%	
Next: \$1,000,000 - \$1,499,999	0.60%	
Next: \$1,500,000 - \$1,999,999	0.55%	
Next: > \$2,000,000	0.50%	

The fees applicable to each account on the Market Guard™ Model platform include:

- Financial Advisor Fee and
- Platform Fee, which includes the Market Guard™ Strategist fee

The Financial Advisor Fee and the Platform Fee, when combined, are referred to as the “Advisory Fee”. The client is charged the Advisory Fee on each separately managed account however applicable fees are assessed on a household level. The Client should consider all applicable fees.

##### Financial Advisor Fee

The Financial Advisor Fee compensates a Client’s advisor for the consultation and other support services provided by said Financial Advisor. These services include, among other services, obtaining information regarding the client’s financial situation and investment objectives, conducting an analysis to make a determination of the suitability of the services to be provided by Market Guard™ for the client, providing the client with Market Guard™ disclosure documents, assisting the client with account paperwork as well as being available for ongoing consultations with the client regarding their investment objectives.

The Financial Advisor and Client select an annual rate for the Financial Advisor Fee by choosing a negotiated flat or tiered rate up to 1.0%.

### Platform Fee

The platform Fee is charged at the rates listed in the fee table.

The Platform Fee provides compensation to Market Guard™ for maintaining the Platform and providing advisory and administrative services to the account. The Platform Fee includes the strategist or portfolio manager fee for the Market Guard™ models. Market Guard™ will monitor all positions as described earlier, make trading decisions and execute all trades.

The administrative services performed by Market Guard™ include, but are not limited to, the following: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between the Client and each Custodian, coordinating with Custodians regarding delivery of account services, preparation of quarterly performance reports (to complement Account Statements provided by Custodians), and maintenance as well as access to an electronic or web-based inquiry system that provides detailed information on each Client Account.

The annual rate of the Platform Fee is based on the amount and type of assets under Market Guard™ management or administration. The fee schedule is tiered so that the first dollar under management receives the highest fee while only those assets over the breakpoints receive the reduced fees. Household or related person account values will be taken into consideration when assessing fees.

### **Market Guard™ Specially Managed Option Strategy Fee Structure**

Market Guard™, upon special consideration and review for suitability, offers a Specially Managed Option Strategy to certain clients. Based on the increased level of active management that these accounts require; they will have a flat Platform Fee of 1.5% and up to 1% for a Financial Advisory Fee. Breakpoints offered inside the model portfolio fee structure will not be applicable for accounts participating in the option strategy.

Advisory fees shall be payable quarterly, in advance, for the upcoming calendar quarter at the annual rates provided above, based upon the corresponding Asset Under Management level. The client's first invoice once establishing the advisory relationship will be pro-rated for the number of days the assets were on deposit under the advisory control of Market Guard™ for the previous quarter, as well as in advance for the upcoming quarter. At the beginning of each billing cycle, Market Guard™ will determine the appropriate Account Fee based on Total Assets Under Management, which uses the account's value at the end of the prior quarter. Account Fees will be automatically adjusted, if necessary, according to the above fee schedule based upon deposits, withdrawals, market appreciation, market depreciation, etc.

For any assets deposited or withdrawn during the current quarter, fees will be assessed at a prorated amount through the end of that current quarter. Advisory fees are withdrawn directly from the Client's account with written authorization.

In the event that you wish to terminate advisory services with Market Guard™, we will refund the unearned portion of our advisory fee to you upon written notification.

Market Guard™ has constructive custody over this account for fee billing purposes and has written authorization from the Client to deduct these fees directly from the Client's account. Market Guard™ utilizes a custodian who sends at least a quarterly statement showing all debits to the Client.

### Other Account Fees

In addition to the advisory fees, Clients also pay other fees or expenses to third parties or account custodians. Clients will also incur transaction charges for trades executed in their accounts. Although typically all equity and ETF trades hold no custodial transaction fee, there are execution fees incurred for certain other liquidations or trades, such as option transactions or mutual fund liquidations. These transaction fees are separate from our fees and will be disclosed by the custodian that trades are executed through.

### Asset Mark Referral Model

Fees charged to accounts held through Asset Mark will include the following:

- Financial Advisor Fee
  - Platform Fee, which may include any Strategist or Manager Fee, as applicable, and most custody fees.
- Refer to the additional ADV for Asset Mark for full details.

The Financial Advisor Fee and the Platform Fee when combined are referred to as the “Advisory Fee.” These fees are not to exceed a total of 1.95%

Other fees for special services may also be charged. The Client should consider all applicable fees. Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate Asset Mark accounts at any time and receive a full pro-rata refund of any unearned fees.

### **Financial Planning Fees**

Depending upon the complexity of the situation and the needs of the Client, the hourly fee for financial planning services may be billed at up to \$250.00 per hour. The fees are negotiable with your individual Investment Advisor Representative (IAR), and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. If services are terminated prior to completion, the Client will be charged on a per hour basis for time put in. These prorated fees are due on the date of termination.

### **Outside Compensation for the sale of securities to Clients**

Neither Market Guard™, nor its supervised persons, accept any compensation for the sale of securities, including asset-based sales charges or services fees from the sale of mutual funds. However, Market Guard’s supervised persons may also be licensed insurance agents. If deemed appropriate, they may offer the Client advice or investment vehicles from these products. Clients should be aware that these services pay a commission.

### **Item 6: Performance-Based Fees and Side-by-Side Management**

We do not charge performance-based fees. Clients are only charged fees disclosed in Item 5 above.



## **Item 7: Types of Clients and Account Requirements**

Market Guard™ generally provides investment advice and/or management supervisory services to the following types of Clients:

- ❖ Individuals
- ❖ High Net Worth Individuals
- ❖ Trusts, Estates, or other Organizations

### ***Minimum Account Size***

As of March 30, 2020, we do not require a minimum household balance. However, if either a household or a Separately Managed Account (SMA) value does not allow for proper allocation, Market Guard™ reserves the right to decline the relationship or management of that household or account. Market Guard™ also reserves the right to decline a relationship if we feel that it would not be a proper fit for either Client or for us.

At any time, a Client may terminate an Account, withdraw all or part of an Account, or update the investment profile, which may initiate an adjustment in the Account's holdings. In that case, unless otherwise directed by the Client, Market Guard™ will buy or sell the necessary securities in the Client Account at market prices at or around the time of the termination, withdrawal, or update.

## **Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss**

### **Intelligent Asset Allocation**

Research shows that asset allocation can be one of the most important factors to influence overall portfolio performance and, in our opinion, more than 90% of a portfolio's success is determined by asset allocation alone. Therefore, Market Guard™ adheres to proprietary asset allocation strategies when our portfolios are constructed.

Market Guard™ model portfolios are managed to specific equity and fixed income allocations. The model portfolios invest in multiple asset classes ranging from US Equities, International Equities, Fixed Income, Commodities, and Real Estate. Along with global diversification, Market Guard™ focuses on an awareness of the individual standard deviation (measure of volatility) as well what we would expect the maximum drawdown potential inside each portfolio and investment methodology. Standard deviation will measure a portfolio's variability, and it is viewed as a risk factor that Market Guard™ attempts to minimize in order to generate a more predictable performance. Maximum drawdown represents the greatest percentage drop from the highest level reached during a specified time frame. We believe in the importance of both of these measures as we feel investor success is created by instituting a globally diversified portfolio that has the ability to control, as well as understand, security volatility.

We have three methodologies in which you can utilize the Market Guard™ models: STATIC, TARGET and DYNAMIC.

#### **Strategic Asset Allocation:**

Market Guard™ **STATIC** model portfolios utilize a strategic approach and are designed to assess and rebalance the models on an annual basis. It deploys a passive management strategy in an attempt to maintain a certain percentage of assets, held in various categories, throughout the year.

#### **Tactical Asset Allocation:**

##### **Market Guard™ DYNAMIC and TARGET**

Market Guard™'s primary asset management strategy centers around the use of its proprietary model portfolios. Market Guard™ model portfolios utilize an asset allocation model designed to assess individual positions in the portfolio while also determining opportune times to Sell, Buy or Hold the underlying Exchange Traded Funds (ETFs).

It deploys an active management strategy designed to shift the percentage of assets held in various asset classes in order to take advantage of market pricing anomalies or strong market sectors. This strategy provides Market Guard™ the opportunity to create extra value by utilizing a specific blend of technical indicators allowing our Clients to benefit from momentum in the marketplace. Technical indicators are mathematical calculations based on the price, volume, or open interest of a security such as an ETF. Our purpose for utilizing technical indicators, along with fundamental market analysis and observation, is to help provide the analytic support required to make investment decisions from a position of awareness.

Inside the TARGET methodology, the model portfolio can reduce the EQUITY allocation to 50%.

Inside the DYNAMIC methodology, the model portfolio can reduce both the EQUITY and FIXED INCOME allocation to 0%.

#### **Tactical Monitoring and Rebalancing**

On a daily basis, Market Guard™ reviews each position utilizing a series of Technical Indicators. Over the course of a month, the Portfolio Manager (PM) will formulate any possible changes to the portfolio. After the last trading day of that month, the PM will review the technical indicators as well as other market sentiments and, based on this analysis, make any changes to the allocation of Model Portfolios. According to our investment discipline, the evaluation period to determine if a rebalance is in order will be conducted upon the close price of each individual investment position at the close of each month. Should a rebalance need to occur, the trade dates will be between the 1<sup>st</sup> and 15<sup>th</sup> of the following month. By waiting until the end of each month to fully assess the technical indicators and information they are provide, Market Guard™ can help create an environment that may reduce the risk of excessive trading. However, in the event of a significant and unforeseen incident in the marketplace, Market Guard™ will, based on our discretion, perform mid-month adjustments to the model portfolios.

## A. Risk Considerations

Investing in securities involves risk of loss that Clients should be prepared to bear. While the stock market may increase, and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that the Client understands the risks associated with investing in the stock market. By utilizing our trading methodology, Market Guard™ strives to mitigate volatility but it does not guarantee this outcome. Past performance is no guarantee of future results and any historical returns, expected returns, or probability projections may not reflect actual future performance.

### **Potentially High Levels of Trading Risk**

Market Guard™'s trading methodology includes portfolio rebalancing and possible tax-loss harvesting that could lead to high levels of trading. Furthermore, high levels of trading could result in a possible bid/ask spread expense; trade executions that may occur at prices beyond the current bid/ask spread if a quantity demanded exceeds quantity available at the bid/ask price.

### **ETF Risks, including Net Asset Valuations and Tracking Error**

ETF performance does not exactly match the performance of the index or market benchmark that the ETF is designed to track because of various reasons. First, the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark. Second, certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable. Finally, the supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Also, certain ETF strategies may sometimes include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities from which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that, should they invest in ETF securities, they pay two levels of compensation – advisory fees and platform fees charged by Market Guard™ plus any management fees charged by the issuer of the ETF. This scenario causes a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund include ETF management fees, custodian fees, brokerage commissions, and legal and account fees. ETF expenses change from time to time at the sole discretion of the ETF issuer. Clients have access to current ETF information, including expenses through their Schwab portal.

### **Leveraged and Inverse ETFs**

Inside the **TACTICAL** Market Guard™ Model portfolios, we will utilize Leveraged and Inverse ETFs if market conditions dictate, based on the PM's discretion. Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs (also called "short" funds) seek to deliver the opposite of the performance of the index or benchmark they track. Like traditional ETFs, some leveraged and inverse ETFs track broad indices, while others are sector specific and may be linked to

commodities, currencies, or some other benchmark. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward moving markets.

Leveraged inverse ETFs (also known as “ultra short” funds) seek to achieve a return that is a multiple of the inverse performance of the underlying index. To accomplish this objective, leveraged and inverse ETFs pursue a range of investment strategies through the use of swaps, futures contracts, and other derivative instruments. Most leveraged and inverse ETFs “reset” daily; meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time – such as weeks, months, or years – can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be especially magnified in volatile markets.

### **Options Contracts**

For select clients participating in the Specially Managed Option Strategy, we utilize common stock as well as call and put options. However, our primary strategy utilizes a CSEP (Cash Secured Equity Put) strategy. This involves collecting a premium by writing a put option on a specific security and simultaneously setting aside the cash to buy the security if assigned. To help with the overall risk of being assigned a security and having that security go to zero, Market Guard™ primarily utilizes broad based index ETFs as the underlying security vs. individual equity positions.

An option is a contract which gives the buyer (the owner or holder of the option) the right, but not the obligation, to buy or sell an underlying asset or instrument at a specified strike price prior to or on a specified date, depending on the form of the option. The seller (the writer of the option) has the corresponding obligation to fulfill the transaction – to sell or buy – if the buyer (owner) “exercises” the option. An option that conveys to the owner the right to buy at a specific price is referred to as a call; an option that conveys the right of the owner to sell at a specific price is referred to as a put.

The following factors, among others, can affect account performance with respect to investing and trading in options: market, sector, stock-specific volatility, length of time invested, diversification, management and other account fees and charges, taxes, liquidity in options and equity markets, inflation and deflation, as well as various other economic and political factors. Early assignment of option contracts can also occur, and this may detract from dividends paid by the companies whose stocks are held in the account. The more money disbursed from the account over time, the less will be available for possible reinvestment and growth, which may affect performance, especially in a declining market. Clients with secured puts written in their accounts give up upside potential of the stock above the option price for the option period and bear the risk that the value of the stock declines below the break-even point (strike price minus the premium received). This is important as the loss could be substantial if the stock’s price decline is significant. Such clients also bear the risk of a decline in the value of the underlying cash collateral, such as if the cash is invested in a short-term debt instrument such as a treasury bill or note. For this assumption of risk, clients holding secured puts earn cash premiums from selling the secured put and potential interest from a treasury bill or money market fund during the option period. Because the client does not yet own the stock, he/she is not entitled to any dividends paid on the stock during the option period. There are other risks attached to covered calls and secured puts that are more fully explained in the OCC Risk Booklet “Characteristics and Risks of Standardized Options”, which can be obtained from any exchange on which options are traded, by calling 1-888-OPTIONS, or by contacting [compliance@marketguard.com](mailto:compliance@marketguard.com). Such risks include, but are not limited to, tax implications of covered writing, option market liquidity, and market volatility. Clients should be sure to read the OCC Risk Booklet, its Supplement, and any management

agreements they receive to understand the possible costs and risks, as well as potential opportunities for an investment in this approach. Clients should also ask their advisor any questions they have regarding these investment strategies before approving/requesting these types of investment vehicles.

### **Advisory Risk**

There is no guarantee that Market Guard™'s judgement or investment decisions about particular securities or asset classes will necessarily produce the intended results.

### **Item 9: Disciplinary Information**

Market Guard™ has no legal or disciplinary events.

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

Neither Market Guard™ nor its Investment Advisor Representatives are registered or affiliated with any Broker/Dealer, Futures Commission, Commodity Pool Operator nor Commodity Trade Advisor.

### **Conflict of Interest**

Some of Market Guard™'s Investment Advisor Representatives are also licensed insurance agents. When warranted, they will offer Client's advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Market Guard™ always acts in the best interest of the Client, including the sale of commissionable products to advisory Clients. Clients are in no way required to implement an insurance strategy, even if it is recommended by a representative of Market Guard™ in their capacity as an insurance agent.

### **Item 11: Code of Ethics, Participation in Transactions, Personal Trading**

Our firm has established a Code of Ethics which applies to all of our supervised persons. An investment adviser is considered a fiduciary. As a fiduciary, it is our investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our Clients at all times.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a strong Code of Ethics and require that all such transactions be carried out in a way that is in the client's best interest. At the same time, we believe that, if investment goals are similar for our Clients and for members and employees of our firm, then it is logical that there may be common ownership of some securities.

Our fiduciary duty is the core underlying principle of our Code of Ethics, which consequently also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually

thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

This disclosure is provided to give all Clients a summary of our Code of Ethics. However, if a Client or potential Client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

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

Representatives of Market Guard™ may buy or sell securities for themselves that they may also recommend to Clients. Market Guard™ will always document any transactions that could be construed as conflicts of interest. A periodic review of Personal Securities Transactions will be conducted to ensure that no conflict has occurred.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians**

Market Guard™ has chosen to use Charles Schwab (Schwab) as our primary custodian for accounts.

As part of the arrangement described in Item 12-A, Schwab also makes certain research and brokerage services available to our firm at no additional cost. We utilize their institutional platforms, and have access to certain reporting, research and trading platforms that are not available to the general public. These research tools are used by our firm to manage accounts for which we have investment discretion. In addition, we also receive from Schwab without cost, and/or at a discount, compliance and or practice management-related publications, discounted and/or gratis consulting services, discounted and/or gratis attendance at conferences, meetings and other educational event as well as marketing support. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

Effective in the fourth quarter of 2019, Schwab is charging Zero commission rates for online trading of most securities. However, some securities, such as mutual fund liquidations or options transaction, incur a charge; as would a trade that is processed over the phone as opposed to online. Commission rates are subject to change at the discretion of Schwab.

By having the majority of accounts at Schwab, Market Guard™ has a greater ability to engage in block trades on behalf of its Clients. This could potentially enable Market Guard™ to obtain better prices on transactions by not competing against itself on the floor of the exchange. Block trades are intended to benefit client accounts through better price (executing price plus commissions) and/or more timely execution of trades when possible.

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

Market Guard™ maintains the ability to block trade transactions for Clients participating in the model portfolio trading strategy across accounts. Market Guard™ may, but is not obligated to, combine multiple orders for shares of the same securities purchased for the advisory accounts Market Guard™ manages (this practice is commonly referred to as “block trading”). Market Guard™ will then distribute a portion of the

shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased or sold is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Accounts owned by Market Guard™ or persons associated with Market Guard™ may participate in block trading with Client accounts; however, they will not be given preferential treatment.

#### **Item 13: Reviews of Accounts**

The underlying securities within the Market Guard™ model portfolios and Specially Managed Options' Accounts are continuously and actively monitored. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines on an as-needed basis, at least annually.

Certain triggers, such as major market or economic events, Client specific life incidents, or direct a request from the Client may also be cause for a review.

Market Guard™ provides all Clients with continuous access to their accounts via two separate Client login portals. All Clients have access directly to Charles Schwab where they are able to obtain information such as Client statements, activity and current positions. In addition, Market Guard™ maintains a Client portal where Clients can access quarterly performance reports, current holdings, current equity vs. fixed income weights on both a household and account level.

#### **Item 14: Client Referrals and other Compensation**

Market Guard™ does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Market Guard™ Clients. Also, Market Guard™ does not directly or indirectly compensate any person who is not advisory personnel for Client referrals, nor do we maintain any solicitor arrangements.

#### **Item 15: Custody**

Market Guard™ is considered to have Custody of Client accounts only to the extent of our ability to directly debit the account for payment of management fees stated in Item 5. To approve this deduction, the Client must sign and approve the appropriate section in the Investment Advisory Contract as well as approve the account opening document with the custodian for fee billing authorization.

The Client will receive at least quarterly statements from the custodian. As the custodian does not verify the accuracy of the fee being billed, it is important for the Client to carefully review the information provided on the statements.

#### **Item 16: Investment Discretion**

Market Guard™ will obtain written Client authorization to research, purchase, and sell various securities and investments on behalf of the Client. This is known as discretionary trading authorization. Market Guard™ is authorized to execute purchases and sales of securities on the Client's behalf without consulting the Client regarding each purchase or sale. Clients cannot limit our discretionary authority, they can only revoke discretion upon written notification to Market Guard™. Market Guard™ also reserves the ability to terminate the discretionary relationship upon written notification to the Client.

**Item 17: Voting Client Securities (Proxy Voting)**

Market Guard™ will not ask for, nor accept voting authority for Client securities. Clients will receive proxies directly from the issuer of a security or from their custodian.

**Item 18: Financial Information**

This item is not applicable because Market Guard™ does not require or solicit the prepayment of any advisory fees. Also, Market Guard™ does not have any adverse financial conditions that are reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.