

PART 2A OF FORM ADV

FIRM BROCHURE



LITTLE HARBOR ADVISORS, LLC

30 Doaks Lane

Marblehead, MA 01945

(781) 639-3000

www.littleharboradvisors.com

MARCH 2021

This brochure provides information about the qualifications and business practices of Little Harbor Advisors, LLC ("LHA"). If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. 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. References in this brochure to LHA as a "registered investment adviser" are not intended to imply a certain level of skill or training.

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

ITEM 2-MATERIAL CHANGES

LHA is updating its Firm Brochure as of March 2021. The changes made to LHA's Firm Brochure are intended to reflect the current provisions found in the Prospectus and Statement of Additional Information for each of the LHA Market State® Alpha Seeker ETF and the LHA Market State® Tactical Beta ETF, and to reference LHA's intent to offer investment advisory services to private collective investment funds and/or other registered funds in the future.

ITEM 3- TABLE OF CONTENTS

	<u>Page</u>
<u>ITEM 2- MATERIAL CHANGES</u>	ii
<u>ITEM 3- TABLE OF CONTENTS</u>	iii
<u>ITEM 4- ADVISORY BUSINESS</u>	1
<u>ITEM 5- FEES AND COMPENSATION</u>	4
<u>ITEM 6- PERFORMANCE- BASED FEES</u>	5
<u>ITEM 7- TYPES OF CLIENTS</u>	6
<u>ITEM 8- METHODS OF ANALYSIS</u>	7
<u>ITEM 9- DISCIPLINARY INFORMATION</u>	8
<u>ITEM 10- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</u>	9
<u>ITEM 11- CODE OF ETHICS</u>	9
<u>ITEM 12- BROKERAGE PRACTICES</u>	10
<u>ITEM 13- REVIEW OF ACCOUNTS</u>	11
<u>ITEM 14- CLIENT REFERRALS</u>	11
<u>ITEM 15- CUSTODY</u>	12
<u>ITEM 16- INVESTMENT DISCRETION</u>	13
<u>ITEMS 17 VOTING OF SECURITIES</u>	13
<u>ITEM 18- FINANCIAL INFORMATION</u>	14

ITEM 4

ADVISORY BUSINESS.

Little Harbor Advisors, LLC ("LHA") was founded in January of 2012 and filed with the SEC to be a registered investment advisor in August of 2013. LHA provides discretionary investment advisory services to LHA Market State® Alpha Seeker ETF (the "Alpha Seeker ETF"), the LHA Market State® Tactical Beta ETF (the "Tactical Beta ETF") (and, collectively, the Alpha Seeker ETF and the Tactical Beta ETF are herein referred to as the "Market State ETFs"), and, in the future, may provide discretionary investment advisory services to other registered funds, and/or private collective investment funds.

The focus of LHA's investment advisory services is to implement each fund's investment strategy, manage and allocate fund assets, and to monitor and oversee a fund's investment return and exposure. In regard to the funds to which LHA currently provides investment advisory services, LHA does not tailor its advisory services to individual investors and does not accept investor-imposed investment restrictions. As of March 30, 2021, LHA and its majority-owned affiliate, Thompson Capital Management, LLC ("Thompson Capital") had total assets under advisement of approximately \$400,000,000, of which LHA advises approximately \$154,000,000 in the Market State ETFs on a discretionary basis and in third-party platforms, and approximately \$246,000,000 of which is managed by Thompson Capital in separately managed accounts and model-based program assets.

TAI Equity Holdings, LLC is the managing member of LHA, and its managing member is LHA's President, John Hassett. The principal owner of TAI Equity Holdings, LLC is also John Hassett. Currently, LHA does not have any individual investor that has an ownership interest equal to or greater than twenty-five percent (25%).

LHA Market State® Alpha Seeker ETF:

The Alpha Seeker ETF is a series of ETF Series Solutions (the "Trust"). The Trust is an open-end management investment company consisting of multiple investment series. The Trust was organized as a Delaware statutory trust on February 9, 2012. The Trust is registered with the SEC under the Investment Company Act of 1940, as amended (together with the rules and regulations adopted thereunder, as amended, the "1940 Act"), as an open-end management investment company and the offering of the Alpha Seeker's ETF shares is registered under the Securities Act of 1933, as amended (the "Securities Act"). The Trust is governed by its Board of Trustees (the "Board"). LHA serves as the investment adviser to the Alpha Seeker ETF. As the investment adviser to the Alpha Seeker ETF, LHA has responsibility for its general management and administration.

The Alpha Seeker ETF's investment objective is to seek to provide positive returns across multiple market cycles that are generally not correlated to the U.S. equity or fixed income markets. The Alpha Seeker ETF is an actively-

managed exchange-traded fund (“ETF”) and seeks to achieve its investment objective principally by investing long or short in instruments linked directly or indirectly to the performance and/or volatility of the S&P 500® Index based on models and analyses, described below, that seek to estimate the direction of the U.S. equity market. Such instruments may include index-based and other actively managed ETFs; leveraged, inverse, and inverse-leveraged ETFs; options; and futures contracts. The Alpha Seeker ETF may also invest the remainder of its portfolio directly or indirectly in cash and cash equivalents.

The Alpha Seeker ETF seeks to achieve its objective by estimating the direction of the U.S. equity market and then using those estimates to select the ETF’s investments in long or short S&P 500 Index linked instruments and CBOE Volatility Index® (the “VIX® Index”) linked instruments. The Alpha Seeker ETF’s strategy primarily relies on proprietary statistical models and analyses of the volatility of the S&P 500 developed, owned, and maintained by Thompson Capital, an affiliate of LHA. Portfolio net exposure is based on a proprietary process to quantify market risk by comparing volatility expectations across various time frames, as expressed by 30-day and 90-day implied volatility indexes and VIX futures. In general, a “long volatility” environment is one in which near-term volatility expectations are above longer-term volatility expectations. Similarly, a “short volatility” environment is characterized by lower near-term volatility expectations relative to longer-term expectations.

Each day, Thompson Capital’s quantitative models and analyses seek to estimate the direction and strength of U.S. equity market volatility based on the movement of the VIX® Index, which utilizes real-time prices of options on the S&P 500 to reflect investors’ consensus view of future (30-day) expected stock market volatility, and VIX Index futures and options prices. Such estimates are used by the Alpha Seeker ETF’s portfolio managers to determine the extent to which the ETF’s exposure to the S&P 500 Index and/or the VIX Index will be long or short, or in cash. Based on the direction and strength of signals from Thompson Capital’s models, the portfolio managers determine on a discretionary basis in which instrument(s) to invest. Because the Alpha Seeker ETF’s exposure may change daily, it may engage in active and frequent trading. A more detailed explanation of the Alpha Seeker ETF’s investment strategy is found in its Prospectus, dated May 8, 2020 as amended.

LHA Market State® Tactical Beta ETF:

The Tactical Beta ETF is a series of the Trust. The offering of the Tactical Beta ETF’s shares is registered under the Securities Act. LHA serves as the investment adviser to the Tactical Beta ETF. As the investment adviser to the Tactical Beta ETF, LHA has responsibility for its general management and administration.

The Tactical Beta ETF’s investment objective is to seek long-term out-performance relative to the large-capitalization U.S. equity market. The fund is an actively-managed ETF and seeks to achieve its investment objective

principally by investing long or short in instruments linked directly or indirectly to the performance and/or volatility of the S&P 500® Index based on models and analyses that seek to estimate the direction of the S&P 500 Index. Such instruments may include index-based and other actively-managed ETFs and exchange-traded notes (“ETNs”) with long or short exposure to the S&P 500 Index, U.S. Treasury securities, or the VIX Index; securities issued by the U.S. government or its agencies or instrumentalities; and options and futures contracts on the S&P 500 Index or VIX Index. The fund may also invest the remainder of its portfolio directly or indirectly in cash and cash equivalents.

The Tactical Beta ETF seeks to achieve its objective by estimating the direction and magnitude of S&P 500 Index volatility based on the movement of the VIX® Index. Under normal market conditions, the fund’s baseline exposure each day to the S&P 500 Index is approximately 90%, which the portfolio managers then adjust based on a quantitative model and analysis of the movement of the VIX Index. The fund’s exposure may be significantly greater or less than 90% at any given time, although such exposure is usually between approximately 80% and 120% at the time investments are made. The portfolio managers use their analysis to determine in which instrument(s) to invest long or short and the magnitude of such exposures. During periods where volatility increases, LHA expects the fund to seek protection against falling markets and to provide returns uncorrelated to the S&P 500 Index. From time to time, the fund may also write (sell) call options on its S&P 500 positions (known as “covered calls”) to generate additional returns.

The Fund’s strategy primarily relies on proprietary statistical models and analyses of the volatility of the S&P 500 Index developed, owned, and maintained by Thompson Capital. Portfolio net exposure is based on a proprietary process to quantify market risk by comparing volatility expectations across various time frames, as expressed by 30-day and 90-day implied volatility indexes. In general, a “long volatility” environment is one in which near-term volatility expectations are above longer-term volatility expectations. Similarly, a “short volatility” environment is characterized by lower near-term volatility expectations relative to longer-term expectations.

Each day, Thompson Capital’s quantitative models and analyses seek to estimate the direction and magnitude of U.S. equity market volatility based on the movement of the VIX® Index. Such estimates are used by LHA to determine the extent to which the fund’s exposure to the S&P 500 Index will be long or short, or in cash. Based on the signals from Thompson Capital’s models, the investment adviser determines on a discretionary basis in which instrument(s) to invest. Because the Tactical Beta ETF’s exposure may change daily it may engage in active and frequent trading. A more detailed explanation of the Tactical Beta ETF investment strategy is found in its Prospectus, dated September 28, 2020.

ITEM 5

FEES AND COMPENSATION.

LHA Market State® Alpha Seeker ETF:

For the services provided to the Alpha Seeker ETF, LHA is paid a unified management fee, which is calculated daily and paid monthly, at an annual rate of 1.10% of the fund's average daily net assets. Pursuant to an investment advisory agreement, LHA provides investment advice and oversees the day-to-day operations of the fund, subject to the direction and control of the Board and the officers of the Trust. The unified management fee is automatically deducted by the fund administrator from the investor's account. It should be noted that detailed disclosure about the unified management fee is provided in the Prospectus and the Statement of Additional Information (the "SAI"). The Prospectus and SAI should be carefully reviewed prior to making an investment.

LHA is responsible for trading portfolio securities on behalf of the Alpha Seeker ETF, including selecting broker-dealers to execute purchase and sale transactions, subject to the oversight of the Board. Under its investment advisory agreement, LHA is also responsible for arranging transfer agency, custody, fund administration and accounting, and other related services necessary for the fund to operate. LHA administers the Alpha Seeker ETF's business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services. In exchange for the single unitary management fee, LHA has agreed to pay all expenses incurred by the fund except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, distribution fees and expenses to be paid by the fund under any distribution plan.

LHA Market State® Tactical Beta ETF:

For the services provided to the Tactical Beta ETF, LHA is paid a unified management fee, which is calculated daily and paid monthly, at an annual rate of 1.10% of the fund's average daily net assets. Pursuant to an investment advisory agreement, LHA provides investment advice and oversees the day-to-day operations of the fund, subject to the direction and control of the Board and the officers of the Trust. The unified management fee is automatically deducted by the fund administrator from the investor's account. It should be noted that detailed disclosure about the unified management fee is provided in the Prospectus and the SAI. The Prospectus and SAI should be carefully reviewed prior to making an investment.

LHA is responsible for trading portfolio securities on behalf of the Tactical Beta ETF, including selecting broker-dealers to execute purchase and sale transactions, subject to the oversight of the Board. Under its investment

advisory agreement, LHA is also responsible for arranging transfer agency, custody, fund administration and accounting, and other related services necessary for the fund to operate. LHA administers the Tactical Beta ETF's business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services. In exchange for the single unitary management fee, LHA has agreed to pay all expenses incurred by the fund except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, distribution fees and expenses to be paid by the fund under any distribution plan.

Additional Fees and Expenses:

For private collective investment funds that LHA may provide investment management services to in the future, LHA's management fee may not be inclusive of all the fees and expenses charged to the particular fund. The following list includes representative fees and/or expenses that a fund may pay to third parties. This list is not intended to be exhaustive; the particular fund's offering documents will provide further detail relating to fees and expenses:

- Administrative, Transfer Agent and Custodial fees
- Organization, Offering, Audit, Accounting and Legal fees
- Brokerage commissions and transaction fees
- Marketing fees and sales charges
- Administrative costs related to withdrawal requests

For any future registered or private collective investment funds, a detailed disclosure about fees and expenses will be provided in the particular fund's offering documentation, including any supplements, provided to each prospective investor. Such documents should be carefully reviewed prior to making an investment in any particular fund.

ITEM 6

PERFORMANCE-BASED FEES.

LHA Market State® Alpha Seeker ETF and LHA Market State® Tactical Beta ETF:

Neither the Alpha Seeker ETF nor the Tactical Beta ETF charges a performance-based fee. Generally, performance-based fees are based on a share of capital gains on, or appreciation of, the assets for a particular fund.

General Information About Performance Fees:

In the future, if LHA charges a performance fee to a fund, it may appear that there is a conflict of interest, including that LHA and its portfolio manager(s) may have an incentive to favor accounts for which they receive performance-based fees. However, LHA maintains a Code of Ethics that establishes

standards for the detection and prevention of activities by which a person having knowledge of the investment and investment intentions of any fund may abuse their fiduciary duties to any such fund.

In the future, LHA may launch private collective investment funds or other registered funds that charge a performance-based fee. Please note, a detailed disclosure about performance-based fees and other expenses applicable to an investment in any particular private collective investment fund or other registered fund will be provided in that fund's offering documentation, including any supplements thereto.

ITEM 7

TYPES OF CLIENTS.

As described in **Item 4- Advisory Business**, LHA offers investment advisory services to the Market State ETFs and, in the future, may provide investment advisory services to private collective investment funds and other registered funds.

LHA Market State® Alpha Seeker ETF and LHA Market State® Tactical Beta ETF:

Each of the Alpha Seeker ETF and the Tactical Beta ETF issues and redeems shares (the "Shares") at NAV (defined below) only in large blocks known as "Creation Units," which only Authorized Participants (the "APs") (typically, broker-dealers) may purchase or redeem directly from the particular fund. Creation Units generally consist of 25,000 Shares, though this may change from time to time. Each of the Market State ETFs generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the particular fund and/or a designated amount of U.S. cash. Once created, Shares trade in the secondary market in quantities less than a Creation Unit. Shares of each of the Market State ETFs are listed on the Cboe BZX Exchange, Inc. (the "Exchange"), and most investors will buy and sell Shares throughout the trading day like other publicly traded securities and through brokers at market prices, rather than the particular fund's Net Asset Value (the "NAV"). Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount). Additionally, when buying or selling Shares through a broker, investors will incur customary brokerage commissions and charges, and may pay some or all the spread between the bid and the offer price in the secondary market on each leg of a round trip (purchase and sale) transaction. Because secondary market transactions occur at market prices, an investor may pay more than NAV when he/she buys Shares and receive less than NAV when he/she sells those Shares. A more detailed explanation of how to purchase or sell Shares is found in each of the Market State ETF's Prospectus and SAI.

Future Private Funds:

In the future, LHA may provide investment advisory services to private

collective investment funds and/or other registered funds, and these funds may have minimum investment requirements and investor qualifications that vary. The offering documentation for the particular fund will set forth a more detailed explanation of how to acquire an interest in such fund.

ITEM 8

METHODS OF ANALYSIS.

LHA Market State® Alpha Seeker ETF:

As stated in **Item 4- Advisory Business** above, in regard to the Alpha Seeker ETF LHA seeks to provide positive returns across multiple market cycles that are generally not correlated to the U.S. equity or fixed income markets.

LHA seeks to achieve the investment objective principally by investing long or short in instruments linked directly or indirectly to the performance and/or volatility of the S&P 500® Index based on models and analyses, described in **Item 4- Advisory Business** above, that seek to estimate the direction of the U.S. equity market. Such instruments may include index-based and other actively managed ETFs; leveraged, inverse, and inverse-leveraged ETFs; options; and futures contracts. The Alpha Seeker ETF may also invest the remainder of its portfolio directly or indirectly in cash and cash equivalents. The Alpha Seeker ETF seeks to achieve its objective by estimating the direction of the U.S. equity market and then using those estimates to select the ETF's investments in long or short S&P 500 Index linked instruments and VIX® Index linked instruments.

All securities investments risk the loss of capital. No assurance can be given that the investment objective of the Alpha Seeker ETF will be met, or that the fund's investment strategy will be profitable. The portfolio managers utilize a quantitative program developed by Thompson Capital to implement a portion of the Alpha Seeker ETF's investment strategy. The value of securities selected by using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as whole or securities selected using only fundamental analysis. LHA's use of derivative instruments in regard to the Alpha Seeker ETF's investment strategy involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. The use of derivatives could reduce the Alpha Seeker ETF's performance, increase its volatility, and could cause the fund to lose more than the initial amount invested. In addition, investments in derivatives involve leverage, which means a small percentage of assets invested in derivatives can have a disproportionately large impact on the Alpha Seeker ETF. For a detailed description of the risks involved in the Alpha Seeker ETF's investment strategy, please see the fund's Prospectus and its SAI which contain a review of the risks associated with the fund.

LHA Market State® Tactical Beta ETF:

As stated in **Item 4- Advisory Business** above, in regard to the Tactical Beta ETF LHA seeks to provide long-term out-performance relative to the large-capitalization U.S. equity market.

LHA seeks to achieve the investment objective principally by investing long or short in instruments linked directly or indirectly to the performance and/or volatility of the S&P 500® Index based on models and analyses, described in **Item 4- Advisory Business** above, that seek to estimate the direction of the U.S. equity market. Such instruments may include index-based and other actively managed ETFs; leveraged, inverse, and inverse-leveraged ETFs; ETNs; options; and futures contracts. The Tactical Beta ETF may also invest the remainder of its portfolio directly or indirectly in cash and cash equivalents. The Tactical Beta ETF seeks to achieve its objective by estimating the direction of the U.S. equity market and then using those estimates to select the ETF's investments in long or short S&P 500 Index linked instruments and VIX® Index linked instruments.

All securities investments risk the loss of capital. No assurance can be given that the investment objective of the Tactical Beta ETF will be met, or that the fund's investment strategy will be profitable. The portfolio managers utilize a quantitative program developed by Thompson Capital to implement a portion of the Tactical Beta ETF's investment strategy. The value of securities selected by using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as whole or securities selected using only fundamental analysis. LHA's use of derivative instruments in regard to the Tactical Beta ETF's investment strategy involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. The use of derivatives could reduce the Tactical Beta ETF's performance, increase its volatility, and could cause the fund to lose more than the initial amount invested. In addition, investments in derivatives involve leverage, which means a small percentage of assets invested in derivatives can have a disproportionately large impact on the Tactical Beta ETF. For a detailed description of the risks involved in the Tactical Beta ETF's investment strategy, please see the fund's Prospectus and its SAI which contain a review of the risks associated with the fund.

ITEM 9

DISCIPLINARY INFORMATION.

LHA does not have any material legal or disciplinary item to disclose related to LHA's business or its management. Additionally, Thompson Capital has represented to LHA that it does not have any material legal or disciplinary item to disclose related to the services provided to LHA. LHA is obligated to disclose any disciplinary event that would be material to a potential investor when evaluating a client relationship.

ITEM 10**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.**

LHA is not registered as a broker-dealer and does not have an application outstanding to register as a broker-dealer. LHA is not a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any such entity. Additionally, Thompson Capital is not registered as a broker-dealer and does not have an application outstanding to register as a broker-dealer. Thompson Capital is not a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any such entity.

In January 2020, LHA acquired a majority interest in Thompson Capital. Thompson Capital is an Illinois-based advisory firm that provides investment advisory services. Thompson Capital manages investment advisory accounts for individual clients. Thompson Capital provides advice to its clients regarding equity securities, convertible securities, debt instruments, options, futures, other derivatives, private securities, structure products, and other investments and instruments. Given the relationship between LHA and Thompson Capital, LHA does not believe there are any potential conflicts of interests between it and Thompson Capital.

A member of LHA has an affiliation with another investment management company, but despite any such affiliation LHA conducts its operations and its investment advisory services completely independent of that entity. The President of LHA, John Hassett, is the Manager of that entity. However, other than the time that Mr. Hassett allocates to the operations of that entity, LHA does not believe there are any potential conflicts of interests between the companies. The two companies pursue different investment objectives and strategies, and the other entity is not making any new investments.

LHA does not receive compensation, directly or indirectly, from other investment advisers.

ITEM 11**CODE OF ETHICS.**

LHA has adopted a Code of Ethics pursuant to the requirements of the Investment Advisers Act of 1940 (the “Advisers Act”). Pursuant to LHA’s Code of Ethics, firm personnel are subject to general ethical conduct and fiduciary requirements, as well as to monitoring of their personal trading activities involving securities.

The Code of Ethics applies to LHA’s access persons and sets forth a standard of business conduct that takes into account LHA’s status as a fiduciary and requires access persons to place the interests of advisory clients and investors above their own interests. The Code of Ethics requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code of Ethics to the attention of LHA’s Chief Compliance Officer. All access persons are provided with a copy of the Code of Ethics and are required to acknowledge its receipt on at least an

annual basis.

The Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. LHA's access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holding report upon employment. In addition, LHA's access persons must provide annual holdings reports and brokerage statements on a monthly or quarterly basis, as applicable. In addition, the Code of Ethics ensures the protection of nonpublic information about the activities of LHA's advisory clients.

Investors or prospective investors may obtain a copy of LHA's Code of Ethics by contacting the Chief Compliance Officer at (781) 639-3000.

ITEM 12

BROKERAGE PRACTICES.

LHA gives primary consideration to obtaining the most favorable prices and efficient executions of transactions. When securities transactions are affected, LHA agrees to have the fund pay commissions which are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances. LHA believes that a requirement always to seek the lowest possible commission cost could impede effective portfolio management and preclude the Market State ETFs from obtaining a high quality of brokerage and research services. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, LHA will rely upon its experience and knowledge regarding commissions generally charged by various brokers and on its judgment in evaluating the brokerage services received from the broker effecting the transaction. Such determinations are necessarily subjective and imprecise, as in most cases, an exact dollar value for those services is not ascertainable.

LHA owes a fiduciary duty to its clients to seek to provide best execution on trades effected. In selecting a broker/dealer for each specific transaction, LHA chooses the broker/dealer deemed most capable of providing the services necessary to obtain the most favorable execution. "Best execution" is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances, but the most favorable cost is not the sole determinant. The full range of brokerage services applicable to a particular transaction may be considered when making this judgment, which may include, but is not limited to: liquidity, price, commission, timing, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, arbitrage skills, administrative ability, underwriting and provision of information on a particular security or market in which the transaction is to occur. The specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple broker/dealers.

LHA does not receive research or other products or services from broker-dealers or third parties in connection with advisory client transactions (“soft dollar benefits”). LHA does not select or recommend broker-dealers based on receiving investor referrals. LHA does not permit investors to direct their brokerage transactions related to the registered or, in the future, private funds.

It is expected that future collective investment funds and/or registered funds advised by LHA will allocate brokerage business generally on the basis of best available execution and may consider a broker’s provision of brokerage, research and related services (but no absolute assurances can be made in that respect).

ITEM 13

REVIEW OF ACCOUNTS.

LHA is responsible for the implementation of, and portfolio analysis related to, each of the Market State ETF’s investment strategies. LHA provides investment advice and oversee the day-to-day operations of each of the funds, subject to the direction and control of the Board and the officers of the Trust. LHA, through the portfolio managers for each of the Market State ETFs, is also responsible for establishing, monitoring, adjusting, and re-balancing the allocations of fund assets. LHA monitors and analyzes each of the Market State ETF’s investment returns and exposures daily as well.

No risk-management and review process is fail-safe, and no assurance can be given that LHA’s risk management and review process will achieve its objective. From time to time, LHA may modify or change its risk management and/or review process.

ITEM 14

CLIENT REFERRALS.

LHA Market State® Alpha Seeker ETF and LHA Market State® Tactical Beta ETF:

In regard to each of the Market State ETFs, LHA and its related persons, out of its own resources and not out of the applicable ETF’s assets (i.e., without additional cost to the particular Market State ETF or its shareholders), may pay certain broker dealers, banks, financial intermediaries and other persons (“Intermediaries”) for certain activities related to the Market State ETFs, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Market State ETFs, or for other activities, such as marketing and educational training or support (including conferences, webinars and printed communications). These arrangements are not financed by the Market State ETFs and, thus, do not result in increased Market State ETFs expenses.

Future LHA Private Funds:

In regard to private collective investment funds launched in the future, LHA and its related persons may compensate third parties who are not supervised

persons for investor referrals. The general partner of a future fund may sell interests in the fund through broker-dealers, placement agents, and other persons and pay a marketing fee or commission in connection with such activities. The general partner also or alternatively may deduct a percentage of the amount invested by an investor in the fund to pay sales fees or charges, on a fully disclosed basis, to a broker-dealer, placement agent or other person based upon the amount of an investor's contribution introduced to the general partner by such broker-dealer, placement agent or other person. Any such sales fees or charges would be assessed against the referred investor and would reduce the amount actually invested by such investor in the fund. The fees and charges to each investor may vary, depending on the amount invested and other factors.

In some instances, LHA may pay broker/dealers or an independent third-party a portion of the fees paid to LHA or other compensation. Such compensation is paid in a manner intended to comply with Rule 206(4)-3 of the Advisers Act, which regulates the payment of solicitation fees by registered investment advisers, as well as applicable regulations under the Securities Exchange Act of 1934, as amended.

ITEM 15

CUSTODY.

LHA does not have actual physical custody of any investor account or any of an investor's funds or securities.

LHA Market State® Alpha Seeker ETF and LHA Market State® Tactical Beta ETF:

In regard to each of the Market State ETFs, Shares are held in book entry form, which means that no stock certificates are issued. The Depository Trust Company ("DTC") or its nominee is the record owner of all outstanding Shares. Investors owning Shares are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all Shares. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of Shares, an investor is not entitled to receive physical delivery of stock certificates or to have Shares registered in his/her name, and he/she is not considered a registered owner of Shares. Therefore, to exercise any right as an owner of Shares, the owner of the Shares must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other securities that an investor holds in book entry or "street name" through his/her brokerage account. Each of the Market State ETFs has a third-party, qualified custodian for the fund's assets. The custodian holds and administers the assets in the fund's portfolios. Pursuant to each of the Market State ETF's Custody Agreement, the custodian receives an annual fee from the fund based on the fund's total average daily net assets, subject to a minimum annual fee, and certain settlement charges. The custodian also is entitled to certain out-of-pocket expenses. Investors in each of the Market State ETFs receive account

statements directly from the qualified custodian or the fund administrator.

Future LHA Private Funds:

In regard to future collective investment funds, LHA will maintain the cash assets of the particular fund in custodial accounts with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act. LHA will notify, or instruct the custodian to notify, investors in writing of the qualified custodian’s name, address, and the manner in which the assets are maintained promptly when an investor’s account is opened and following any changes to this information.

ITEM 16

INVESTMENT DISCRETION.

LHA has discretionary authority over its client’s accounts. LHA provides discretionary investment advisory services to the Market State ETFs and, in the future, it may provide discretionary investment advisory services to private collective investment funds, and/or other registered funds. The investments of a particular fund are managed in accordance with the investment objectives, strategies and guidelines set forth in the offering documents of the particular fund and are not tailored to any particular investor in such fund.

Pursuant to the applicable investment advisory agreement, LHA provides investment advice and oversees the day-to-day operations of the particular fund, in the case of each of the Market State ETFs this advice is subject to the direction and control of the Board and the officers of the Trust. In regard to future private collective investment funds and/or registered funds, LHA will be authorized by the applicable general partner, management person(s), Board, or Trust to allocate a fund’s assets among different, securities, financial instruments and/or other investment vehicles.

LHA does not provide individualized investment advice to investors. Investors in each of its funds do not have the ability to impose limitations on LHA’s discretionary authority. Prospective investors are provided with an offering document prior to their investment and are encouraged to carefully review the offering document and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk.

ITEM 17

VOTING OF SECURITIES.

Each of the Market State ETFs have delegated proxy voting responsibilities to LHA, in the case of the Market State ETFs such authority is subject to the Board’s oversight. LHA votes proxies, if any, consistent with the particular fund’s and its investors’ best interests and in compliance with all applicable proxy voting rules and regulations. LHA has adopted proxy voting policies and guidelines for this purpose (“Proxy Voting Policies”). A copy of the Proxy Voting Policies is attached to each of the Market State ETF’s SAI as Appendix A.

The Proxy Voting Policies address, among other things, material conflicts of interest that may arise between the interests of the particular fund and LHA

and require that all issues brought to investors are analyzed in light of LHA's fiduciary responsibilities. In regard to each of the Market State ETFs, the Proxy Voting Policies have been adopted by the Trust as the policies and procedures that LHA will use when voting proxies on behalf of the fund. Due to the nature of each of the Market State ETF's principal investment strategies, neither fund is expected to receive a significant number of proxy solicitations. When available, information on how each of the Market State ETFs voted proxies relating to portfolio securities during the most recent 12-month period (ended June 30th) of each year can be provided, without charge, upon request by calling (800) 617-0004 or on the SEC's website at www.sec.gov.

In the future, LHA or a fund it advises may receive notices seeking consent in order to materially change certain corporate rights or to change material terms of organizational or operating documents. To the extent that a fund receives notices or proxies, when LHA has been delegated proxy voting responsibilities, it will vote consistent with the fund's best economic interests. In general, LHA believes that voting proxies in accordance with a fund's best economic interests will be in the best interests of the particular fund.

At times, conflicts may arise between the interests of investors, on the one hand, and the interests of LHA or a particular fund, on the other. If LHA believes that a matter involves an actual or perceived conflict of interest, LHA will address matters involving such actual or perceived conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory and other applicable considerations, including in some instances utilizing a third-party proxy voting service to provide their assessment. In exercising its voting discretion, LHA will seek to avoid any direct or indirect conflict of interest presented by the voting decision.

ITEM 18

FINANCIAL INFORMATION.

LHA does not require or solicit prepayment of more than \$1,200 in fees per fund, six months or more in advance and therefore is not required to include a balance sheet with this brochure. LHA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to any funds it manages, and it has not been the subject of a bankruptcy proceeding.