



CUSTOS

FAMILY OFFICE

AUSTIN · DENVER

Part 2A of Form ADV: Firm Brochure

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November 1, 2021

This brochure provides information about the qualifications and business practices of Custos Family Office, LLC ("Custos"). If you have any questions about the contents of this brochure, please contact us at 303-578-7024 or chase@custosfo.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Custos is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Custos is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as an IARD number. The IARD number for Custos is 294025.

ITEM 2 – MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov. Our last Annual Amendment filing was dated February 19, 2021. The following are material changes since the last Annual ADV filing:

ITEM 4- Third party money manager services were added to the Firm’s offerings. Retirement Plan Advisory Services were added to the Firm’s offerings in November 2021.

ITEM 5- Third party money manager service fees were added. Retirement Plan Services Fees were added.

ITEM 8 – Language was added to describe risks associated with third party money managers.

ITEM 13 – Language was added to reflect Third party money manager reporting information.

In May of 2021, the Firm moved offices to 2679 W. Main Street, Suite 300-355 Littleton, CO 80120.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Chase Rodawig at 303-578-7024 or chase@custosfo.com. We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Custos Family Office, LLC (“Custos” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Denver, Colorado. We specialize in investment advisory services for individuals, high net worth individuals, charitable organizations, foundations, trusts and estates. Our Firm became a registered investment adviser in the State of Colorado and Texas in April 2018. Anthony Lopiccolo, Mitchell Herr and Chase Rodawig have ownership in the Firm. In July 2019, the firm Registered with the U.S. Securities and Exchange Commission (“SEC”).

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Custos execute an Agreement with the Firm.

Investment Management Services

We manage advisory accounts on a discretionary basis and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), mutual funds and debt securities in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create a Plan and manage the client’s portfolio based on that policy and Plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the appropriate strategy for you and your family and executed the strategy, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your

portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

Financial Planning

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals;
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning;
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals;
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention;
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. The recommendations will not be reviewed nor updated, unless requested by the client at which point a new Agreement between Client and Adviser may be executed.

Third Party Money Managers ("TPMM")

Our firm utilizes the services of a TPMM for the management of client accounts. Investment advice and trading of securities will only be offered by or through the chosen TPMM. Our firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring clients, our firm will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a TPMM, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and assist the client in understanding and evaluating the services provided by the TPMM. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Consulting Services

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as small business consulting, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice.

In these cases, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals. You must independently evaluate these firms before opening an account or transacting business, and you have the right to effect business through any firm you choose. Also note, you have the right to choose whether to follow the consulting advice that we provide.

Retirement Plan Advisory Services

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan's "investment manager" with respect to the Plan's portfolio of investment options. We acknowledge that we are registered as an investment adviser under the SEC. Our firm acts as a "fiduciary" within the meaning of Section 3(21) and 3(38) of ERISA with respect to the Plan. We offer advisory services to employer sponsored retirement plans such as 401(k), 457, & 403(b). On the plan level, we manage the investment line-up making changes as necessary as well as providing risk-based investment models for the participants. On the individual participant level, we manage risk-based models using the current investment lineup based on risk tolerance of the individual investor. For employer-sponsored retirement plans with participant-directed investments, our firm provides its advisory services as an investment advisor as defined under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

When serving as an ERISA 3(21) investment adviser, the Plan Sponsor and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement between our Firm and the Plan Sponsor.

Under the 3(21) agreements, our Firm can provide the following services to the Plan Sponsor:

- **Review or Development of an Investment Policy Statement**
- **Perform Due Diligence on Money Managers**
- **Provide Initial Investment and Management Selection** - Our Firm typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
- **Provide ongoing Performance Evaluation and Monitoring of Money Managers**
- **Make Investment Recommendations when necessary**
- **Retirement Plan Services Analysis** - Our Firm will conduct an analysis of a client's retirement plan to evaluate the services currently provided to the client by third parties. The areas of analysis may include asset management services, record keeping, administration, customer service, participant education, etc. These services may also include a cost/benefit analysis, recommendation of alternative vendors, facilitation of the RFP process for solicitation of a new vendor, and/or assistance in fee negotiations with proposed vendors.
- **Provide Employee Education Services** - Our Firm will provide enrollment and educational services the content of the program will be generic in nature.

When servicing as in a 3(38) fiduciary capacity, our Firm is granted full trading authority over the Plan and have the responsibility for the selection and monitoring of all investment options offered under the Plan in accordance with the investment policy statement and its underlying investment objectives and strategies for the Plan. Plan participants have the ability to exercise control over the investment selection from the plans line up of

investments, and we have no authority or discretion to direct the investment of assets of any participant's account under the Plan.

Wrap Fee Program

We also provide services on a wrap fee basis as a wrap program sponsor. Under our wrap program, you will receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in our Wrap Fee Program Brochure. Because wrap program transaction fees and/or commissions are being paid by our firm to the account custodian, we have an economic incentive to minimize the number of trades in the client's account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interests and have established policies to mitigate the conflict of interest a wrap fee arrangement will create. Additionally, we adhere to our fiduciary duty when trading your accounts. We will only trade accounts on the basis of the stated investment objectives of the account and without concern to the firm's trading costs and firm's expenses that trading the accounts will create.

Assets

As of December 31, 2020, our total assets under management were \$ 180,223,597. Our discretionary assets under management totaled \$174,246,806 and our non-discretionary assets under management totaled \$5,976,792.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade execution, investment supervision, and other account-maintenance activities. Our recommended custodian bills custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

Unless otherwise agreed to in the Advisory Agreement, the Advisory Fees will be calculated and paid to the Adviser each calendar month in arrears based on the average daily value of the Portfolio during the previous calendar month (calculated based on the Portfolio's value at the end of each day). In the event of termination, any paid but unearned fees will be promptly refunded to the Client based on the number of days that the Portfolio was managed, and any fees due to the Adviser will be deducted from the Client's account prior to termination.

For purposes of this fee calculation, "value of the Portfolio" means the sum of the fair market value of all of the holdings in the Portfolio. Equity securities listed or traded on a

national securities exchange or quoted on the over-the-counter market are valued at the last sales price on the day of valuation or, if no sale price is reported, at the last bid price.

Our maximum investment management fees as a percentage of assets under management is 1.50%. Our annual fixed fees range from \$1000 to \$500,000 depending on the level of engagement. The specific advisory fees are set forth in your Investment Advisory Agreement. Certain high net worth clients may be billed one flat fee in the event that the client would engage in multiple advisory services offered by our firm.

We may negotiate a lower advisory fee or have the right to waive the minimum fee. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as “householding” portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions will also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a monthly basis indicating all the amounts deducted from the account including our advisory fees.

Either the Client or the Adviser may terminate the Agreement by giving thirty (30) days' prior written notice of termination to the other; provided, however, such termination of this Agreement will not affect: (a) the validity of any actions the Adviser has previously taken; (b) the Client's or the Adviser's liabilities or obligations for transactions started before termination; or (c) any provision, obligation or right that is specifically designated herein to survive such termination. Upon termination, any fees owed to the Adviser will be paid by the Client on a prorated basis as of the effective date of termination, and any fees paid by the Client that have not been earned will be refunded to the Client on a prorated basis as of the effective date of termination.

Financial Planning Fees

Custos will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under

our management. We will determine your fee for the designated financial advisory services based on a fixed fee or hourly arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through Custos. Fixed fees for financial plans range from \$1,000 to \$100,000. The specific fixed fee for your financial plan is specified in your planning agreement with Custos.

Under our hourly arrangement, financial planning fees are billed at an hourly rate up to \$500.00 per hour depending on the complexity of the client's financial situation. Prior to beginning service, Custos will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed in with one half (50%) of the estimated fee due and payable at the midway point of the project, with the balance due and payable at the time the financial plan is delivered. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on the agreed upon hourly rate (not to exceed \$500.00). Services provided up to date of termination but not yet paid to Custos will be billed to you based on the hourly rate. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which Custos receives compensation. However, Custos will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As an investment management client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

Retirement Plan Services Fees

For Retirement Plan Advisory Services compensation, we charge an advisory fee as negotiated with the Plan Sponsor and as disclosed in the Employer Sponsored Retirement Plans

Consulting Agreement (“Plan Sponsor Agreement”). Our maximum advisory fees do not exceed 0.75% annually.

Typically, the billing period for these fees are paid quarterly. This fee is generally negotiable, but terms and advisory fee is agreed to in advance and acknowledged by the Plan Sponsor through the Plan Sponsor Agreement and/or Plan Provider’s account agreement. Fee billing methods vary depending on the Plan Provider.

Either our Firm or the Plan Sponsor may terminate the Agreement upon 30 days written notice to the other party. The Plan Sponsor is responsible to pay for services rendered until the termination of the Agreement.

Third Party Money Manager (“TPMM”) Fees

As discussed in Item 4 above, there are occasions where an independent TPMM acts as a sub-adviser to our firm. In those circumstances, the TPMM manages the assets based upon the parameters provided by our firm. Under such arrangements where our firm elects to utilize a TPMM, depending on the TPMM contract with Custos, the total advisory fee may be collected from the custodian by our firm or the TPMM. This total fee includes our firm’s portion of the investment advisory fee as well as the TPMM fee. Total fees for clients utilizing a TPMM will not exceed 1.50%.

The fee billed is defined in the relevant Investment Management Contract as well as in the individual Form ADV Filing of the respective Third Party Manager. This fee may be debited directly from your investment account or you may pay this fee separately. You will need to indicate how you would like to pay this fee in your investment management contract. Additional fees and expenses you may incur are brokerage commissions, principal markups and discounts, SEC fees, mutual fund/ETF expense ratios, mutual fund 12B-1 fees, tax withholding on certain foreign securities, postage fees, wire fees, bank charges, and other administration fees as authorized by you.

A TPMM relationship may be terminated at the IAR’s discretion. Custos may at any time terminate the relationship with a TPMM that manages your assets. Custos will notify you of instances where we have terminated a relationship with any TPMM you are investing with. Custos will not conduct on-going supervisory reviews of the TPMM following such termination. Factors involved in the termination of a TPMM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPMM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPMM on our list of approved TPMMs.

Account custodial services may be provided by several account Custodians depending on the investment management program offered. Programs may have higher or lower fees

than other programs available through Custos or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

Consulting

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement and our hourly rate described above.

Performance Based Services

Under our Performance Based Services, the client will be charged a reduced management fee and a performance fee contingent upon the performance of a client's account(s). The management fee will be charged monthly, in arrears based on average daily balance. The performance-based fee will be charged relative to an agreed upon benchmark. An example of a benchmark could be a hurdle rate (ie 4.00%) or an index-based benchmark (ie S&P 500 or 40% MSCI World & 60% Barclays US Aggregate). The benchmark to be used for the purposes of calculating the performance-based fee will be agreed upon by the client & advisor and stated in the agreement. The performance-based fee will be calculated quarterly and paid in arrears. The fee to be charged will be a maximum of 20% of the net of fee portfolio performance relative to the agreed upon benchmark capped at a maximum quarterly performance-based fee of 0.20% and not subject to a high watermark. The firm will be responsible for any transaction costs charged by the custodian in association with the implementation and maintenance of this strategy. Refer to Item 6 – Performance Based Fees for more information on the conditions for qualified clients who are eligible for performance based fee arrangements.

Our firm does NOT have to achieve appreciation to receive the performance-based fee. Custos is rewarded for outperformance relative to the agreed upon benchmark.

Administrative Services Provided by ORION

We have contracted with Orion to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion will have access to client information, but Orion will not serve as an investment adviser to our clients. Custos and Orion are non-affiliated companies. Orion charges our Firm an annual fee for each account administered by Orion. Please note that the fee

charged to the client will not increase due to the annual fee Custos pays to Orion, the annual fee is paid from the portion of the management fee retained by our Firm.

Additional Fees and Expenses:

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities, transaction fees (if not engaged in our Wrap Fee Program), custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Custos’ brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

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

Our firm provides services and is compensated in a way in which we accept asset-based fees. That is, fees based on the total amount of assets owned by the client. Additionally, we also provide services and are compensated in a way in which we accept performance-based fees. That is, fees based on a share of capital gains of the assets of a client. There are conflicts of interest that we face by managing these accounts at the same time. For example, the nature of a performance-based fee poses an opportunity for our firm to earn more compensation than under a stand-alone asset-based fee. Thus, we have an incentive with performance-based fee accounts over those accounts where we receive an asset-based fee. One way we may favor performance-based fee accounts is that we may devote more time and attention to performance-based fee accounts than to accounts under an asset-based arrangement.

There are other conflicts associated with performance-based fees that are not as common under an asset-based fee arrangement. The nature of performance-based fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that results could equal higher returns when compared to an asset-based account. On the other hand, riskier investments historically have a higher chance of losing value.

Performance based fees can also cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value over any given year and no performance fee will be earned. In the following year, we may receive a performance fee for simply recouping losses from the previous year.

Our firm has established policies and procedures to address the various conflicts of interest associated with charging a performance-based fee:

- We devote equal time to the management of performance-based fee accounts and asset-based fee accounts.
- Only qualified clients with the capacity to assume additional risks are solicited to engage in a performance-based fee arrangement. We provide such clients full disclosure of the additional risks associated with a performance-based fee arrangement.
- Our managing members will typically manage personal accounts using a similar investment strategy used for clients.
- Performance of client accounts must reach a pre-determined and agreed upon benchmark. For a complete description see Item 5 – Fees and Compensation.
- We have implemented internal compliance policies and procedures designed to comply with applicable state and federal securities law. Procedures are available to clients upon request.

Our firm does not represent that the amount of the performance-based fees or the manner of calculating the performance-based fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance-based fees charged by Custos may be higher than the performance-based fees charged by other investment advisers for the same or similar services.

Our performance-based fee arrangement will comply with Section 205-3 of the Investment Advisers Act of 1940. According to Section 205-3 (see Rule 205-3 there under), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to us. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000.00 under management with our firm at the time the client enters into an Agreement; or
- Provide documentation to our firm so that we shall reasonably believe the client has either a net worth of \$2,000,000.00 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net worth individuals, charitable organizations, defined benefit plans, institutions, foundations, trusts and estates. Our

minimum initial account value is \$1,000,000; however, we may accept accounts for less than the minimum at our sole discretion.

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

Methods of Analysis

At Custos we pride ourselves in being experts in risk management. We believe far too often the investment community, comprised of both professionals and individuals, make investment decisions based on future expected returns or emotion. Rather, we focus on balancing the risk and liquidity across the entire balance sheet. Indeed, most capital market assumptions utilized in industry models rely on historical returns with small adjustments based on current macroeconomic factors. Every model we have seen relies on historical correlations to continue into the future. We have an acute awareness of the evolution and timing of a given economic cycle and the market's potential downside risk.

For these reasons we spend a tremendous amount of time with clients at the initiation of a relationship understanding both their financial goals and more importantly their willingness and ability to assume financial risk. Often, we find these two factors are at odds. At this point we work closely with clients on the trade-offs generally associated with risk and return. We help clients understand the impact to their portfolios and futures.

Investment Philosophy

- Concentration Risk Is Real
- Asset Allocation Drives 85-90% of Portfolio Returns
- Asset Class Returns Should Be Captured Efficiently
- Taxes Are the Enemy of Returns
- Performance Matters

Investment Process

- 1) Fully understand a client's current balance sheet, goals & ability to withstand market volatility
- 2) Determine the optimal asset allocation strategy
- 3) Diversify away or hedge unacceptable risks
- 4) Implement strategy via the most efficient investment vehicles
- 5) Consistently measure net performance against benchmarks

- 6) Adjust strategy to meeting financial goals or a change in risk tolerance

Investment Strategies

Custos' investment strategies are unconstrained by traditional asset classes and investment vehicles. We allocate client capital across cash, fixed income, ETFs, mutual funds, separately managed accounts, options, private investments (as a portfolio component), real estate and commodities exposure through use of exchange traded funds or mutual funds.

Custos may include mutual funds and exchange traded funds, ("ETFs") in our investment strategies. Our policy is to purchase institutional share classes of those mutual funds selected for the client's portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, we may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with our Firm would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

Independent Third Party Manager Services

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client's risk tolerance, and then find a manager with the maximum expected return for that level of risk.

We examine the experience, expertise, investment philosophies and past performance of independent, third party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the managers' underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the managers' compliance and business enterprise risks.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

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

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment could be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors could lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Liquidity Risk - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

Options Risk - Transactions in options carry a high degree of risk. Options are securities which derive their value from the value of underlying securities in which they track. Options can be used to hedge or to speculate on price changes in the underlying security. The value of an option contract is a function of the price of the underlying security, implied volatility, time to expiration and to a lesser extent market interest rates. At Custos we use options to hedge against adverse market moves or to gain exposure to securities we do not currently own. While investing in options always carries the risk of experiencing a loss our option strategies are not designed to leverage portfolios which would inherently increase the risk of investing. Option strategies will only be used in client portfolios with client consent and we will continually review asset allocation and the appropriateness of using option strategies to achieve client risk and return goals.

Alternative Investments - Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk

due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC requires investors be accredited to invest in these more speculative alternative investments. Investing in a fund that concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.

Cybersecurity Risk - In addition to the Material Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

ITEM 9 - DISCIPLINARY INFORMATION

We do not have any legal, financial or other “disciplinary” item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We have no industry activities or affiliations to disclose.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

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

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Custos, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. No supervised employee of Custos shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Custos.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account. All TPM accounts are managed by the selected Manager and we do not have any discretionary trading authority with respect to such accounts.
4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

We generally recommend that clients utilize the custody, brokerage and clearing services of Pershing, LLC, a division of The Bank of New York Mellon Corporation, ("Pershing") and Fidelity Institutional Wealth Services ("Fidelity"), (referred to as the "Custodians") for investment management accounts. Our Custodians are independent and unaffiliated FINRA-

registered broker-dealers. We may recommend that you establish accounts with these Custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our Custodians benefit us and may not benefit you or your account. Our recommendation that you place assets with one of these Custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the Custodian.

We are independently owned and operated and not affiliated with these Custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

We participate in the Custodians' Advisor program. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The Custodian may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by the Custodian through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at the Custodian. Other services made available by the Custodian are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to the Custodian. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of the Custodian for custody and brokerage services. In order to mitigate this conflict, we review our recommended Custodian periodically for a number of qualitative and quantitative factors. Additionally, our firm and our IARs will always act in best interest of the client.

In the event you request us to recommend a custodian for execution and/or custodial services, we generally recommend your account to be maintained at the Custodian. We may recommend that you establish accounts with the Custodian to maintain custody of your assets and to effect trades for your accounts. You have the right to decide to act on any recommendations, and if you elect to act upon any recommendations, you have the right to decide what firm to place the transactions through any Custodian we recommend. Our recommendation is generally based on the Custodian's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other Custodians and the value of products, research and services given to us is not a factor in determining the selection of Custodian or the reasonableness of their commissions.

Aggregation and Allocation of Transactions

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day and each client will pay the same transaction cost regardless of the allocation.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. Prior to entering in an aggregated order, we will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.

6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

Fixed Income Trades

We have full discretion in the selection of brokers or dealers for fixed income trading only. We seek to obtain quality execution for security transactions through brokers and dealers who in our opinion are financially responsible. In selecting a broker or dealer, we may take into account relevant factors with respect to liquidity and execution of the order, as well as the amount of the capital commitment by the broker or dealer. Other relevant factors may include, without limitation: (a) the execution capabilities of the brokers and/or dealers, (b) the size of the transaction, (c) the difficulty of execution, (d) the operations facilities of the brokers and/or dealers involved, and (e) the risk in positioning a block of securities.

Brokerage for Client Referrals

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client would not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. The CCO conducts a quarterly review of trade errors that have occurred during the quarter. If investment gains (net any losses) result from the correcting trade(s), the total gain will be donated to charity. We will never benefit or profit from trade errors.

Directed Brokerage

We do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are monitored on at least a monthly basis. These reviews will be made by the firm's investment advisor representatives. An annual review with the client is usually conducted in person or by telephone.

All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

Statements and Reports

The custodian for the individual client's account will provide clients with an account statement at least monthly. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar year. You are urged to compare the reports provided by Custos against the account statements you receive directly from your account custodian.

If you have an account with us that is managed by a third party manager, we typically review your account holdings weekly to ensure that your account remains within reasonable variances of the targets and investment models in place.

Those clients who are exclusively Consulting or Financial Planning clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Custos does not pay referral fees or receive compensation for referrals.

As disclosed under Brokerage Practices, we participate in Custodians' institutional customer program and we recommend Custodians to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services;

access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Custodians may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by Custodians through the program benefit us but may not benefit your account. These products or services assist us in managing and administering your account, including accounts not maintained at Custodians. Other services made available by Custodians are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Custodians. As part of our fiduciary duties to clients, we endeavor at all times to act in the best interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and indirectly influences our choice of Custodians for custody and brokerage services. Refer to Item 12 on information for mitigating this conflict of interest.

ITEM 15 – CUSTODY

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities. Our firm has constructive custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

Deduction of Advisory Fees

For all accounts, our firm has the written authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Custos. When you have questions about your account statements, you should contact Custos or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

Standing Letters of Authorization

Our firm is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

ITEM 16 – INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Custos to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Custos, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client. The limitations on investment and brokerage discretion held by Custos for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall in writing as indicated on the investment advisory Agreement, Appendix B. You may change/amend these limitations as required.

In some instances, we may not have discretion. In those cases, we will discuss all transactions with you.

ITEM 17 – VOTING YOUR SECURITIES

We will **not** vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or

other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 303-578-7024.

Class Action Suits - A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you.

ITEM 18 – FINANCIAL INFORMATION

We do not receive or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.