

Form ADV Part 2A Brochure



TradeWinds

TradeWinds, LLC

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This Brochure provides information about the qualifications and business practices of TradeWinds, LLC ("TradeWinds"). You should review this brochure to understand your relationship with our firm and help you determine to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about TradeWinds is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our firm name or by using a unique identifying number, known as a CRD number. The CRD number for TradeWinds is 316415.

TradeWinds, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

www.tradewinds.global

Item 2. Material Changes

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

Since our last annual updating amendment filed, March 20, 2022, we have made the following material changes:

- Item 4: We have provided information regarding our Digital Asset offerings.
- Item 4: We have updated our regulatory assets under management.
- Item 5: We have provided our fees for managing Digital Assets.
- Item 8: We have provided risks for investing in Digital Assets.
- Item 19: This item was removed and replaced with the standard of care language in Item 4.



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Item 4. Advisory Business

TradeWinds, LLC provides financial advisory and investment management services to individual investors to help them achieve their financial goals and needs. Founded in 2021, the Firm is wholly owned by Timothy Whitney.

This Disclosure Brochure describes the business of TradeWinds. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of TradeWind's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on TradeWind's behalf and is subject to TradeWinds's supervision or control.

Financial Planning Services

TradeWinds may provide its clients with a broad range of comprehensive financial planning services. These services are only offered to certain ongoing investment management clients. Our Advisors review a client's financial situation which includes a review of all assets, liabilities, estate, tax and insurance needs. We will conduct an analysis of cash flow, risk tolerance, investment objectives and other evaluation tools to develop a proposed asset allocation. Intergenerational family planning services may be included as part of our financial plans.

Wealth Management Services

Clients can engage TradeWinds to manage all or a portion of their assets on a discretionary basis. In limited instances, we will manage assets on a non-discretionary basis.

We provide wealth management services specific to the needs of each individual client. Prior to formulating any investment allocation recommendation, we will work with our clients to ascertain each client's general financial situation, investment objectives, liquidity needs, time horizon and risk tolerance, as well as any special considerations relevant to the formulation of the client's investment program. It should be noted, however, that we do not limit our advice to any specific class of securities and that other security types and investment options are frequently used in the construction of client portfolios.

Client assets are generally allocated among our custom, proprietary strategies. Each client's custom strategy will generally include a mix of individual equity securities, mutual funds, and ETF's in accordance with the client's stated investment objective and risk/volatility parameters. Where appropriate, clients may also engage TradeWinds to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, TradeWinds will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

Clients may also retain TradeWinds to provide advisory services for their retirement plan account. When providing these services, TradeWinds acts as an ERISA 3(21) or 3(38) fiduciary and is required to act under the standard of care in ERISA that is generally a higher standard than imposed on our firm under the Investment Advisers Act of 1940. Advisory services available to plan participants include:

- Non-discretionary investment advice
- Asset allocation models



- Strategic investment allocations
- Investment performance reporting

Clients may, at any time, request restrictions on or customizations to their accounts. However, we reserve the right not to accept and/or terminate the management of a client account if we feel that the customizations or restrictions imposed by the client, in our opinion, prevent us from managing the account in a manner that is consistent with the client's stated investment objectives.

Clients are advised to promptly notify TradeWinds if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon TradeWind's management services.

Financial Planning Services

TradeWinds starts with an extensive review of a client's financial situation which includes assets and liabilities as well as estate, tax, and insurance needs. The Firm then employs a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Financial planning services are typically bundled alongside our discretionary investment management services, but they can also be offered independently. Financial plans and financial planning include, but are not limited to:

- investment planning;
- life insurance and annuities;
- tax concerns;
- retirement planning;
- college planning; and
- debt/credit planning.

TradeWinds may recommend clients engage the firm for additional related services as part of the financial plan, or we may recommend other professionals to implement recommendations made by TradeWinds. Such additional services by TradeWinds or another professional will be provided for additional compensation, commensurate with the nature, extent, complexity, and other characteristics of such services. Clients are advised that a conflict of interest, or the perception of one, may exist because the firm may have additional incentive to recommend such additional services based on the compensation to be received, rather than solely based on the client's needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm.

Clients are under no obligation to act upon any recommendations made by TradeWinds under a financial planning engagement or to engage the services of a third-party professional. Clients retain the absolute right to decide whether or not to act on such recommendations, and if they choose to act on such recommendations, whether to engage the Firm or such professional for such services or to engage another investment adviser or professional of their choosing, which may charge less (or more) for such services. Should a client choose to implement the recommendations contained in the plan, TradeWinds suggests the client work closely with his/her attorney, accountant and/or insurance agent.

Implementation of financial plan recommendations is entirely at the client's discretion. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. No Legal, Accounting or Tax Advice. TradeWinds will act solely in its capacity as a registered investment advisor and does not provide any legal, accounting or tax advice. Client should seek the counsel of a qualified accountant and/or attorney when necessary. TradeWinds may assist clients with tax harvesting, and we will work with a client's tax specialist to answer any questions related to the client's portfolio



account.

Recommending Rollovers and Transfers

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of: 1)) Leaving the funds in your employer's (former employer's) plan; 2) moving the funds to a new employer's retirement plan; 3) cashing out and taking a taxable distribution from the plan; and/or 4) rolling the funds into an IRA rollover account. Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. Our recommendations may include any of them, depending on what we feel is in your best interest.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. As a fiduciary, we are required to document the reason(s) for why the recommendation we made is in your best interest.

Digital Assets

We offer Digital Asset Management services to our clients where suitable, given the client's investment objectives and risk tolerance. The fees associated with Digital Asset are separate and in addition to the contractual disclosed ongoing financial planning or investment management fees charged and collected by the firm. Clients will be required to complete a separate addendum for these services. The additional Digital Asset fees and how they are to be billed are disclosed in Item 5.

Assets Under Management

As of December 31, 2022, the Firm has \$242,512,892. in assets under management. All of our assets under management are discretionary.

Item 5. Fees and Compensation

TradeWinds offers its services on a fee-only basis. Our fees will vary on the types of advisory services we offer and may be negotiated at our sole discretion.

Investment Management Fee (also referred to as "Advisory Fee")

TradeWind's annual Advisory Fee is exclusive of, and in addition to, brokerage commissions, transaction fees,



and other related costs and expenses that are incurred by the client, as discussed below. TradeWinds does not, however, receive any portion of these commissions, transaction fees, and costs. For investment and wealth management services TradeWinds provides with respect to certain client holdings (e.g., held-away assets, 529 plans, etc.), we may negotiate a fee rate that differs from our standard fee schedule.

TradeWind's annual advisory fee is based on the amount of assets under the Firm's management. Fees are generally billed monthly in arrears, based on average daily balance of the account(s) during the period.

Our fee schedule for Advisory services is as follows:

Assets Under Management	Annual Advisory Fee
\$0 to \$50,000	up to 2.25%
\$50,001 to \$3,000,000	1.35%
\$3,000,001 to \$10,000,000	0.8%
More than \$10 million	Negotiable

This fee schedule may be based on cumulative household assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. You should refer to your advisory agreement for your specific fee rate(s).

Financial Planning Fees

TradeWind's can charge a fixed fee for preparation of a financial plan, however we typically waive this fee for all Wealth Management Clients. When not included in our asset management fee, the fees for financial planning and/or consulting services can be billed on an hourly rate, fixed rate, or project basis in advance on a monthly or quarterly basis. There is no minimum fee required for financial planning or consulting services; however financial planning and consulting fees shall generally not exceed \$20,000.

TradeWinds may request a retainer to initiate financial planning and consulting services. However, we will not request the prepayment of fees more than \$1,200 in advisory fees more than six months in advance.

Digital Asset Fees

Clients invested in Digital Assets are subject to a management fee of 1.3% paid monthly in arrears. Fees charged by the Onramp Invest, Invest Platform are 0.70% of the amount invested and will be included in the purchase price of the crypto assets on a per transaction basis.

Additional Fees and Expenses

In addition to the advisory fees paid to TradeWinds, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, 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. The Firm's brokerage practices are described at length in Item 12, below.

Fee Debit

Clients generally provide TradeWinds with the authority to directly debit their accounts for payment of the



Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less often than quarterly detailing all account transactions, including any amounts paid to TradeWinds. Alternatively, clients may elect to have TradeWinds send them an invoice for direct payment.

Fees for Management During Partial Months of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. The *Agreement* between TradeWinds and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. TradeWind's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to TradeWind's right to terminate an account. Additions may be in cash or securities provided that TradeWinds reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to TradeWinds, subject to the usual and customary securities settlement procedures. However, TradeWinds designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. TradeWinds may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Item 6. Performance-Based Fees and Side-by-Side Management

TradeWinds does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

TradeWinds primarily provides its services to individuals, including high net worth individuals, small businesses and corporations.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis: Involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis: Involves studying past price patterns, trends and interrelationships in the financial



markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Digital Assets: The term “Digital Asset” refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, so-called “virtual currencies”, “coins”, and “tokens”. The investment objective of our firm’s Digital Asset allocation is to offer interested clients, in an unsolicited manner, exposure to the cryptocurrency market via a portfolio index comprised of a diversified basket of cryptocurrencies.

An investment in Digital Assets are suitable only for clients wishing to have an allocation to an investment with a speculative objective who can bear the economic risk of the investment, who have no need for liquidity, understand the risks and are willing to accept those risks of loss of their entire investment in exchange for potential returns. Given the complexity of the products and technology that Digital Assets pose, investment decisions made with respect to the allocation of any portfolio to Digital Assets are subject to various potential risks including technical, legal, market, and operational risks, price volatility, illiquidity, valuation methodology, related-party transactions, and conflicts of interest, and that those investment decisions will not always be profitable.

Risk of Loss with Digital Assets: Investments in Digital Assets is highly speculative and involves a high degree of risk. Investments in Digital Assets are extremely volatile in nature and can have higher volatility than other traditional investors such as stocks and bonds, and market movements can be difficult to predict. The value of Digital Assets can change constantly and dramatically. If the value goes down, there’s no guarantee that it will rise again. Investors should be prepared for volatile market swings. As a result, there is a significant risk of loss of your entire principal investment. Interests should not be purchased by any person who cannot afford the loss of their entire investment. Due to the high price volatility, gains or losses are unpredictable and there can be no guarantee of returns. Transactions in Digital Assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

Valuation Risk with Digital Assets: Valuation of Digital Assets can differ significantly depending on the price source or otherwise due to factors such as market fragmentation, unregulated markets, illiquidity and volatility. There is no guarantee that a client will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available.

In addition to traditional market price risk factors such as inflation, interest rates, market and other political or economic events, the price of Digital Assets may be affected by a wide variety of additional complex factors including supply and demand as well as access to Digital Asset service providers, exchanges, miners or and market participants.

Regulatory Uncertainty Risk: Digital currencies are not considered securities and are not subject to the same regulatory requirements as SEC registered securities, exchange-traded funds, or similar investment vehicles.

There can be no assurance that Digital Asset investments will not be adversely affected by increases in regulatory activity concerning particular tokens or token exchanges or trading platforms. Regulatory agencies and/or the constructs responsible for oversight of a Digital Asset or a Digital Asset network may not be fully



developed and subject to change. Regulators may adopt laws, regulations, policies or rules directly or indirectly affecting Digital Assets their treatment, transacting, custody, and valuation.

Regulatory actions could negatively impact Digital Assets in various ways, including, for example, through a determination that one or more Digital Assets are deemed regulated financial instruments or securities that require registration or licensing.

Liquidity Risk with Digital Assets: Any liquidity may be limited or disrupted, and there can be no guarantees on the ability to sell or exchange Digital Assets at any price. It is also possible that regulatory agencies may then consider certain Digital Asset trading being conducted as unlawfully under interpretations of existing law and may take action at any time to freeze or stop Digital Assets from being released or traded.

Operational Risk with Digital Assets: Exchanges can stop operating due to security breaches, fraud, insolvency, market manipulation, market surveillance, KYC/AML procedures, non-compliance with applicable rules and regulations, technical glitches, hackers, malware or other reasons; blockchain technology is a relatively new and untested technology which operates as a distributed ledger. Blockchain systems could be subject to internet connectivity disruptions, consensus failures or cybersecurity attacks, and the date or time that you initiate a transaction may be different than when it is recorded on the blockchain.

Custody Risk with Digital Assets: Digital Asset holdings are not considered legal tender and are not insured by the government like U.S. bank deposits and therefore, you don't have the same protections as a bank account. Unlike most traditional currencies, such as the U.S. dollar, the value of a Digital Asset is not tied to promises by a government or a central bank. Digital Asset investments are not insured.

There is currently no regulation or standard auditing practice of accounts holding Digital Assets to verify ownership. There are counterparty and custody risks associated with Digital Assets including loss or theft of the Digital Asset. The organizations offering custody services for Digital Asset are likely to be much less liable or secure than more common custodians due to their lack of regulatory experience. In general, Digital Assets cannot be held in custody by US broker-dealers. Therefore, under the Advisers Act, as an SEC registered investment adviser, we are required to use a "qualified custodian" that is suitably licensed to maintain client assets in separate accounts in their own name. Theft is less likely when holding Digital Assets at a qualified custodian in offline systems (cold storage) with institutional security and controls.

Security Risk with Digital Assets: Digital Assets exist as computer-coded entries on a digital ledger, or blockchain, visible to and verifiable by nodes. Ownership is reflected in a string of numbers on a distributed ledger, accessible only by a public key and a private key in "wallets".

To satisfy regulatory requirements, a custodian could hold a "private key" and a "public key" to the Digital Asset. A custodian can maintain private keys in digital form on a computer hard drive unconnected from the internet and protected by layers of cybersecurity. Or, the custodian can maintain and secure the private key in a "cold wallet" by, for example, locking it in a physical vault. In any event, the technology used for safeguarding Digital Assets is emerging. Digital Assets are essentially bearer assets. In general, anyone who obtains possession of the private key can, in theory, misappropriate the asset, no matter where the private key is maintained. The custodian may periodically store Digital Assets in "hot wallets" which are connected to the internet to facilitate transactions in. Digital Assets stored in "hot wallets" may be more susceptible to theft or compromise than Digital Assets stored in other digital wallets. There can be no assurance the Digital Assets storage process will not be compromised.

In order to help mitigate this conflict of interest, our firm will only recommend that clients invest in a crypto portfolio when appropriate and if they are willing to accept the risks associated and require clients to sign a



risk acknowledgment form prior to participating in the investment.

Fundamental Analysis: Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis: A type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory: A theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases: Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases: Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Margin Transactions: A securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount



that was loaned to them.

Option Writing: A securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.



Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the market place and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.



Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic



changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Warrants: A warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security - normally an equity - at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price. Warrants that confer the right to buy a security are known as call warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock



will fall before the option expires. Selling options is more complicated and can be even riskier. The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Private Placements: A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

Risk: Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are



acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

Management Through Similarly Managed Accounts

TradeWinds primarily manages portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as “*investment strategy*”). In so doing, TradeWind’s buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

TradeWind’s management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to TradeWind’s clients may be limited. As further discussed in response to Item 12B (below), TradeWinds allocates investment opportunities among its clients on a fair and equitable basis.

Item 9. Disciplinary Information

Tradewinds is required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of management. TradeWinds does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

TradeWinds is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Tim Whitney and Mike Manganillo are co-owners of and CFO and CEO respectively for Zuul, a fintech company focused on blockchain technology and digital assets. Mr. Whitney and Mr. Manganillo will be compensated by Zuul. However, Zuul does not currently offer any services or products to Tradewinds clients.

Item 11. Code of Ethics

Our Code of Ethics

TradeWinds is committed to providing investment advice with the utmost professionalism and integrity. Our firm strives to identify manage and/or mitigate conflicts of interest and has adopted policies, procedures and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics that emphasizes our fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients. All supervised persons of our firm must acknowledge and comply with our Code of Ethics.

Employee Personal Trading

TradeWinds and persons associated with TradeWinds (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with TradeWinds’s policies and procedures.



TradeWinds has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). TradeWind’s Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by TradeWinds or any of its associated persons. The Code of Ethics also requires that certain of TradeWind’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of TradeWinds will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of TradeWind’s clients. Nonetheless, because the Code of Ethics would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between TradeWinds and its clients. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with TradeWind’s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. TradeWind’s will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above. **Clients and prospective clients may contact TradeWinds to request a copy of its Code of Ethics.**

Item 12. Brokerage Practices

Though TradeWinds recommends brokers with which we’ve negotiated pricing on behalf of our clients, we do not have discretionary authority to select brokers. We endeavor to recommend broker-dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker’s ability to provide professional services, competitive commission rates, research and other services that will help our firm provide investment management services to clients. TradeWinds may recommend brokers who provide useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

We have negotiated competitive pricing and services with Trade-PMR for brokerage back-office and trade execution services and First Clearing for clearing and custodial services. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker-dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive



of and in addition to TradeWind's advisory fee. TradeWind's regularly reviews the reasonableness of the compensation received by the broker-dealers used for executing client transactions in an effort to ensure that our clients receive favorable execution consistent with our fiduciary duty. Factors which TradeWind's considers in recommending Trade-PMR and First Clearing or any other broker-dealer to clients include, but is not limited to, their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker dealers.

In addition, Trade-PMR provides TradeWinds with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Other benefits we may receive include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Trade-PMR also provided TradeWinds with nominal funding to assist with startup expenses establishing the business entity. The commissions paid by TradeWind's clients are intended to be consistent with our duty to obtain "best execution." However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when TradeWinds determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while TradeWinds will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Aggregation of Orders

TradeWinds will generally block trades where possible and when advantageous to clients. Certain trades will be effected independently. The blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts where transaction costs are shared equally and on a pro-rated basis between all accounts included in the block. Block trading allows us to execute equity or fixed income trades in a timely, equitable manner and to reduce overall commission charges to clients. Clients who do not provide TradeWinds with discretion will not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts. Accounts owned by supervised persons of our firm may participate in block trading with your accounts; however, these individuals will not be given preferential treatment of any kind

Item 13. Review of Accounts

TradeWinds monitors clients' portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis for clients. For those clients to whom TradeWinds provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with TradeWinds and to keep TradeWinds informed of any changes thereto. TradeWinds contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact of any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients should compare the account statements they receive from their custodian with those they receive from TradeWinds. Those clients to whom TradeWinds provides financial planning and/or consulting services will receive reports from TradeWinds summarizing its analysis and conclusions upon request and as otherwise agreed to in writing by



TradeWinds.

Item 14. Client Referrals and Other Compensation

TradeWinds is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, TradeWinds is required to disclose any direct or indirect compensation that it provides to any person who is not a supervised person for client referrals. The Firm does not currently provide compensation to any third-party solicitors for client referrals.

TradeWinds receives compensation from Trade-PMR, Inc., the broker-dealer used for your account, and your account custodian in the form of access to electronic systems that assist us in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. Trade-PMR provided our firm with nominal funding to assist with startup expenses establishing our business entity. Your account custodian also offers TradeWinds discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of interest in that it gives our firm an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support or services. We address this conflict of interest by disclosing to our clients the types of compensation that our firm receives so clients can consider this when evaluating our firm. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

Item 15. Custody

When you establish a relationship with our firm for investment management services, your assets will be maintained by a bank, broker-dealer, mutual fund transfer agent or other such institution deemed a 'qualified custodian' by the SEC. We rely on the custodian to price and value assets, execute and clear transactions, maintain custody of assets in your account and perform other custodial functions. TradeWinds does not maintain physical possession of any client account assets. Clients' assets must be held by a bank, broker dealer, mutual fund transfer agent or other such institution deemed a qualified custodian. We utilize First Clearing as the qualified custodian for client accounts.

Nevertheless, TradeWinds is deemed to have custody, pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, due to its authority over certain accounts to distribute assets subject to a third-party standing letter of authorization. The firm relies on the seven requirements outlined in the SEC's No-Action Letter to the Investment Advisers Association, dated February 21, 2017, which provides relief from an annual surprise custody examination by an independent public accountant.

You will receive monthly and/or quarterly account statements directly from the qualified custodian. TradeWinds may also provide you with written quarterly performance reports for your account. We urge you to carefully review your account statements and compare the account balances with the balances reflected on any performance report you may receive from our firm for accuracy. Balances on our reports may vary slightly from custodial statements due to differences in accounting procedures, reporting dates, valuation methodologies of certain securities or other operational factors. You should promptly notify us if you do not receive account statements from your custodian at least quarterly or if you believe the information on your account statements is inaccurate.



Item 16. Investment Discretion

TradeWinds is given the authority to exercise investment discretion on behalf of clients. TradeWinds is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. TradeWinds is given this authority through a limited power-of-attorney included in the agreement between TradeWinds and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). TradeWinds takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

TradeWinds is required to disclose if it accepts authority to vote client securities. TradeWinds, LLC has elected to vote proxies through the Broadridge ProxyEdge voting platform provided by Broadridge Financial Services. Upon request TradeWinds, LLC can provide historical voting records and firm proxy guidelines. Clients may obtain a copy of TradeWind's complete voting policies and procedures and information about how TradeWinds voted a client's proxies by contacting the Chief Compliance Officer

Item 18. Financial Information

TradeWinds does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, TradeWinds is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. At this time, we reasonably believe that our firm is able to meet all of our contractual commitments.

