

Maddix Wealth, LLC

a division of
Maddix Holdings, LLC

Form ADV Part 2A – Disclosure Brochure

March 15, 2023

1355 W. Innovation Way, Suite 175
Lehi, Utah 84043
Office: (866) 847-9454
admin@maddixwealth.com

Website for Clients www.maddixwealth.com



This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Maddix Wealth, LLC (“Maddix Wealth”), a division of Maddix Holdings, LLC (“Maddix Holdings” and, together with Maddix Wealth and its other wholly owned subsidiaries, “Maddix”). If you have any questions about the contents of this brochure, please contact Maddix Wealth at (866) 847-9454 or by email at admin@maddixwealth.com.

Maddix Holdings is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training.

Additional information about Maddix is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Maddix Holdings is a newly registered investment adviser and has not yet filed an annual updating amendment. Accordingly, there are no material changes to report under this Item 2.

Item 3: Table of Contents

Item 1: Cover Page	i
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	i
Item 4: Advisory Business	2
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-By-Side Management	6
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	6
Item 9: Disciplinary Information	12
Item 10: Other Financial Industry Activities and Affiliations	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	12
Item 12: Brokerage Practices	13
Item 13: Review of Accounts	17
Item 14: Client Referrals and Other Compensation	17
Item 15: Custody	19
Item 16: Investment Discretion Discretionary	19
Item 17: Voting Client Securities	19
Item 18: Financial Information	20
Item 19: Requirements for State-Registered Advisers.....	20

Item 4: Advisory Business

Firm Description

Maddix Wealth, LLC ("Maddix Wealth") is a wholly owned subsidiary of Maddix Holdings, LLC ("Maddix Holdings"), an SEC-registered investment adviser. Maddix Holdings, Maddix Wealth and any other wholly owned subsidiary are referred to collectively as "Maddix."

Maddix Wealth and future Maddix divisions are expected to each have their own distinct investment process and philosophy, portfolio management teams, investment culture and brand. Accordingly, each will have their own Disclosure Brochure describing those features. This Disclosure Brochure provides information about Maddix Wealth and, where applicable, broadly refers to policies, conflicts and other considerations that apply across Maddix.

Jesse Silva is the manager and controlling member of Maddix Holdings. Maddix Holdings is the sole member and manager of Maddix Wealth. Maddix Holdings and each of its wholly owned subsidiaries, including Maddix Wealth, is a Delaware limited liability company. Maddix was formed in 2022.

Maddix is an independent investment and advisory firm that is client-centered in its mission. Maddix's client base includes many different types of individuals and institutions. Maddix Wealth services its clients through a Third-Party Asset Management Platform ("TAMP") administered by Axxcess Wealth Management, LLC, another SEC-registered investment adviser ("Axxcess") with whom certain Maddix investment adviser representatives were previously affiliated. Information about Axxcess is available at www.axxcessplatform.com and through the SEC's website at <https://adviserinfo.sec.gov>.

Maddix Wealth provides advice through consultation with the client, which may include determination of financial objectives, risk assessment, risk management, capital allocation and budgeting, identification of financial problems, cash flow management, strategic planning, investment management, retirement plan design, installation, and management.

Tailored Relationships

Maddix makes a point to know its clients' circumstances in order to implement individually tailored financial solutions. Meeting the needs of each client in order to sustain a relationship that creates value for the client requires a depth of knowledge, routine contact, and a requirement to collaborate with a client's existing advisors. Client interviews, analysis of current and projected financial requirements, risk tolerance, and portfolio goals are established at the beginning and throughout the client relationship.

Types of Advisory Services

Maddix Wealth's client base is comprised of family offices, high net worth investors, business owners and retirement plans. Maddix Wealth provides services in the following areas:

Core Services. Maddix Wealth's core services are focused on wealth management. Core services are highly tailored to each client, as Maddix Wealth does not manage a "one size fits all" model portfolio. Maddix Wealth's client accounts are monitored on at least a quarterly basis and focused on meeting current and evolving financial needs. Maddix Wealth's investment adviser representatives assist client investment decisions by endeavoring to understand the client's financial goals and objectives in the areas of investment allocation, retirement planning, estate planning, and corporate planning. Maddix Wealth will review the client's current financial position taking into account the stated financial goals and objectives of the client. Maddix Wealth will frequently establish and formalize a customized

investment strategy for each client or account being managed. Portfolios are designed and managed using a mix of investments, including stocks, bonds, mutual funds (multiple asset classes), third party managers, exchange- traded funds (“ETFs”), notes, real estate investment trusts, business development companies, and alternative investments such as hedge funds and private equity. Clients have the option of granting either fully discretionary authority or limited discretionary authority to Maddix Wealth regarding their investment accounts. Certain third-party money managers available to clients through the Axxcess TAMP are only available on a fully discretionary basis. Maddix Wealth also provides other advisory consulting services, which include financial planning, capital allocation, wealth management, and advisement on financial matters to businesses, high-net-worth individuals, family offices, and retirement plans.

Investment Advisory Services. Most clients choose to have Maddix Wealth advise them on matters related to their wealth management and the implementation of their investment strategy. Maddix Wealth provides investment advisory services to its clients on a discretionary or non-discretionary basis on both taxable and tax-deferred accounts. The advisory services include, among other things, providing advice regarding both tactical and strategic asset allocation and the selection of investments. Maddix Wealth’s advisory services are guided by the stated objectives provided for in a client profile or investment policy statement. Maddix Wealth considers the client’s risk tolerance and financial status prior to making any recommendations.

Advisory Services

Maddix Wealth provides advisory services to client projects which may or may not be related to wealth management and investment strategy. Advisory services are focused on areas such as real estate, business interests, or diligence activities. Many of Maddix Wealth’s clients rely on it for advice in a variety of financial decisions with respect to their family office establishment and governance, purchasing or selling businesses, raising capital, negotiating, and structuring financial transactions. Maddix Wealth will endeavor to provide reporting of positions and performance using the Axxcess TAMP’s Private Asset Platform. Private Asset Platform is an Axxcess TAMP reporting service that integrates directed investments such as real estate, private equity, or private credit in a consolidated manner. Neither Maddix nor Axxcess makes any representations or guarantees about the accuracy of the information contained in its Private Asset Platform reports. The data contained in the Private Asset Platform comes from the applicable administrator, sponsor, and or auditor/accountant. Neither Maddix nor Axxcess provides valuation or pricing services.

Advisory services may be offered in conjunction with other services offered by Maddix as described below. Maddix does not provide legal or tax advice.

Retirement Accounts. When Maddix Wealth provides investment advice to clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), Maddix Wealth is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the clients’ best interest, Maddix Wealth will provide investment advice to a client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g., commission-based account to fee-based account). Such a recommendation creates a conflict of interest if Maddix Wealth earns a new (or increases its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by Maddix Wealth.

Corporate Services. Maddix Wealth provides services for companies and organizations. Services include company-sponsored qualified and non-qualified retirement plan advisory services, plan installation consultation (including a statement of investment policy and initial plan investment selection), and plan consultation (including participant enrollment meetings, ongoing 404(c) compliance consultation, investment due diligence, and third-party investment reporting). In advising corporate retirement plans, Maddix Wealth uses third-party recordkeeping services who are solely responsible for the maintenance and accuracy of their systems. As part of Maddix Wealth's corporate services consulting, Maddix Wealth also furnishes advice to clients on matters such as capital formation, investment structure, financial risk management, business planning matters, and succession planning and may include estate and insurance planning services.

TPMs and Wrap Fee Programs. Maddix Wealth does not provide portfolio management services to a wrap fee program. Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (e.g., execution of trades) are provided for one fee. This is different from Maddix Wealth's traditional investment management programs, whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis and typically paid to the client's custodian.

Maddix Wealth may, however, recommend third-party managers ("TPMs") or wrap-fee programs with full investment discretion and trading authority. These TPMs have sole responsibility for the implementation of the investment program with respect to the client's account, for which investment discretion has been delegated by the client and accepted by the institutional money managers. Maddix Wealth does not place orders for transactions in the client's account or otherwise exercise trading authority over an account managed by a TPM or wrap-fee program sponsor. Factors considered by Maddix Wealth in its determination of whether to recommend a TPM or wrap-fee program include but are not limited to regulatory compliance, reputation, performance record, philosophy, continuity of management, service to clients, awareness of after-tax performance objectives, minimum dollar investment requirements and fees. Information about TPMs and wrap-fee program sponsors (e.g., performance figures, investment style, etc.) is obtained from tracking organizations, business publications, money managers, personal interviews, and other sources which it believes are reliable. Maddix Wealth may also consider other criteria, including, but not limited to, the administration, recordkeeping, and reporting services provided by a manager or sponsor. Maddix Wealth may also retain outside consultants to assist in preparing TPM search lists. If Maddix Wealth retains an outside consultant, Maddix Wealth makes the final determination regarding which TPMs or wrap-fee program sponsors are made available to clients.

The terms and conditions under which the client engages a TPM or wrap-fee program sponsor will be set forth in separate written agreements between (1) the client and Maddix Wealth and (2) the client and the designated TPM and/or wrap fee program sponsor. Maddix Wealth will continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which Maddix Wealth will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated TPM and/or wrap fee program sponsor. Factors that Maddix Wealth considers in recommending TPMs and/or wrap fee program sponsors include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated TPM and/or wrap fee program sponsor and corresponding designated custodian of the client's assets may be exclusive of, and in addition to, Maddix Wealth's investment advisory fee set forth in Item 5 below. In addition to this Disclosure Brochure, the client will also receive the written disclosure statement of the

designated TPM(s) and wrap-fee program sponsor(s). Certain TPMs and wrap-fee program sponsors may impose more restrictive account requirements and varying billing practices than Axxcess. In such instances, Maddix Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the TPM(s) or wrap-fee program sponsor(s).

Maddix Wealth may also refer clients to certain TPMs or wrap-fee programs where Maddix Wealth's compensation is included in the advisory fee charged by the TPM. In such cases, Maddix Wealth will be compensated for its services by receipt of a fee to be paid directly by the TPM to Maddix Wealth in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the TPM's investment management fee or the program fee of the wrap-fee program (as appropriate) and does not result in any additional charge to the client.

Should a client decide to implement any recommendations contained in a financial plan prepared by Maddix Wealth, the client may but is under no obligation to utilize Maddix Wealth to implement those recommendations, and there is no assurance that Maddix Wealth's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients should be aware that if the client implements the financial plan through Maddix Wealth, Maddix Wealth may receive an additional payment from the client in the form of advisory fees. This would act as an incentive to Maddix Wealth to make certain recommendations in the financial plan or to advise the client to instruct Maddix Wealth to implement the plan.

Termination of Advisory Services

Maddix Wealth and its clients may terminate advisory and other related services by written notice for any reason, and such termination is effective upon the date specified in the notice. Maddix Wealth will be entitled to a pro-rata portion of its fee, based upon the number of months of representation until the date of termination.

Assets Under Management

Maddix Holdings is a new registrant under Investment Advisers Act of 1940 Rule 203A-2(c). Accordingly, Maddix currently has no regulatory assets under management.

Item 5: Fees and Compensation

Maddix Wealth's compensation is negotiable and varies, but typically, it charges an annual fee of 0.75% to 1.25% assets under management, which amount is payable in monthly installments at the end of each calendar month based on the net market value of each client's account on the date the fee accrues and becomes payable. Maddix Wealth also typically receives from each client a performance fee of 1% to 2% of net profits of the account (including both realized and unrealized gains and losses). Performance fees are assessed in arrears on a quarterly, semi-annual or annual basis, and are only applied to the portion of profits that exceed the cumulative losses previously incurred by clients. Maddix Wealth typically only charges a performance fee with respect to proprietary stock strategies or private investments.

Maddix Wealth typically deducts fees directly from client accounts. Client accounts that invest in mutual funds and other investment funds also pay, indirectly, investment advisory fees to the managers of those funds.

Except as may be otherwise negotiated in particular cases, a client may terminate its agreement with Maddix Wealth by giving one day's prior written notice.

Maddix Wealth complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance fees may create an incentive for Maddix Wealth to make more risky and speculative investments than it would otherwise make.

Maddix Wealth believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

On termination of an account, expenses, the pro rata portion of the management fee and the performance fee (if any) through the date of termination are charged to the account. All prepaid but unearned advisory fees are refunded on termination of a client's account.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses. Maddix Wealth bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients' securities trades, as discussed in Item 12 below.

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

Maddix manages accounts that pay performance-based compensation as described in Item 5 and accounts that do not pay performance-based compensation. Typically, an account that does not pay performance-based compensation pays a higher asset-based fee. Regardless, Maddix has a conflict of interest if, in any time period, one fee structure would cause higher fees to Maddix than the other fee structure, because Maddix would have an incentive to favor the account that would pay the higher fees. To address this conflict, Maddix typically allocates all investment opportunities within each strategy on a pro rata basis, based on each account's assets. In addition, Maddix has policies and procedures to review client account investment allocations on a regular basis.

Item 7: Types of Clients

Maddix generally provides investment advice to family offices, corporations and other business entities, high net worth and ultra-high net worth individuals, banks or thrift institutions, investment advisers, pension and profit-sharing plans, trusts, estates, or charitable organizations.

Account Minimums

Maddix Wealth currently does not have an account minimum or "relationship" minimum but does reserve the right to accept or decline a potential client for any reason at Maddix Wealth's sole discretion.

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

Maddix Wealth uses a multi-asset class, multi-disciplinary approach. Therefore, Maddix Wealth does not manage client investment portfolios on the basis of a "one size fits all" model portfolio.

Investment advice is provided with the client making the final decision on investment selection in most cases. Some accounts that Maddix Wealth oversees are handled on a fully discretionary basis. Clients have the choice to work on a limited or full discretion basis.

Maddix Wealth's advice is primarily based on long-term investment strategies that incorporate the principles of Modern Portfolio Theory. Maddix Wealth's belief is that investors' returns are determined principally by asset allocation decisions, not market timing. Individual securities are screened based on the basis of company financial strength, growth characteristics, and overall ability to meet client objectives.

Assets are invested primarily in no-load mutual funds, stocks, separately managed accounts, collective investment trusts, ETFs, bonds, notes, municipal securities, structured products, closed-end funds, hedge funds, real estate investment trusts (REITs), private equity funds, warrants, corporate debt securities, commercial paper, certificates of deposit, investment company securities, U.S. government securities, options contracts, futures contracts, and interests in partnerships.

Private partnerships invested in public equity or debt generally provide capital account balance and performance data quarterly, monthly, or mid-month, which are reflected on statements from Axxcess. Private partnerships invested in private debt, private equity, real estate or real estate debt are highly illiquid with generally no public or private market. For these securities, Maddix or Axxcess, as its delegate, conducts an individualized review of each investment to establish its "fair value" on a quarterly basis. The process varies depending on the information available with regard to the investment. Input is obtained from the general partner and from the management of the underlying investment and reviews available financial information (including both past performance and management's projections for future performance, where available). In some cases, a third-party valuation is obtained by management for other reasons, which will be used as a guideline rather than as a firm indication of value, as these usually presume an immediate sale, and are viewed as hold-to-maturity investments.

Maddix Wealth's process is rooted in these simple premises:

- *Diversify client assets:* Investors must look beyond the traditional pie chart. The client is at great risk if they believe in a passive long-only index investing approach. Correlations and manager talent are important.
- *Avoid market timing:* Investors tend to follow trends and get excited when the media over-emphasizes select aspects of a market or component of the economy.
- *Keep fees low:* In a single digit return environment, the reduction of fees can represent a statistically significant increase in investment returns and overall wealth. Maddix Wealth's multi-family office structure allows clients to benefit from a very competitive fee structure.
- *Customized Portfolios:* For clients that are not a model, Maddix Wealth constructs, manages, and monitors portfolios that are customized and optimized to each individual client. Investors' unique return, risk, liquidity, income profile, tax circumstance, and allocation objectives are blended with their experience and expectations. While efficiencies and execution are essential, Axxcess has yet to meet two clients that were exactly the same.
- *Communication:* Maddix Wealth's reporting and aggregation systems (through Axxcess) are industry-leading and keep the client's complex financial picture clear daily.

- *Research:* Maddix Wealth does its own research based on the collective experience of its investment committee, and utilizes industry-leading third party research as well. Maddix Wealth also relies on data provided by Axxcess; Axxcess' investment oversight committee meets weekly and aims to intelligently synthesize diverse economic views and top investment research, allowing the committee to manage asset allocations designed to maximize after-tax, after-fee, risk-adjusted returns.
- *Leverage Professionals:* Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis.

Investment Strategies

Maddix Wealth implements a variety of investment strategies for clients and does not manage a specific, single strategy for its clients. The investment strategy for a specific client is based upon the objectives stated by the client during consultations and varies by the advisory team. The client may change these objectives at any time.

Maddix Wealth's advice is primarily based on long-term investment strategies using asset allocation decisions and not market timing; however, Maddix Wealth may implement short-term trading strategies internally or through hedge fund managers. Individual securities are screened based on the basis of company financial strength, growth characteristics, and overall ability to meet client objectives.

Investment strategies are driven by an understanding of client constraints, risk tolerance, familiarity with investment behavior, accredited investor status, and tax status.

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The principal source of this information includes commercially available investment services, financial newspapers and magazines, mutual fund rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Maddix Wealth primarily uses fundamental and technical analysis when evaluating investments. Security selection is made using a number of tools, including commercially available software technology, security rating services, general market and financial information, and specific investment analysis requested by the client.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. This criteria generally consists of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps Maddix Wealth in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. Maddix Wealth monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on Maddix Wealth's review process are included below in Item 13 – Review of Accounts.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical

trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Maddix Wealth will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company-specific) level, rather than the overall fundamental analysis of the health of the particular company that Maddix Wealth is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Investments in, for example, derivatives, international companies, emerging markets, or high yield debt can carry greater risks over other more conservative alternatives. Employing certain strategies in securities and derivatives may lead to losses that may exceed the initial principal invested. Clients should be aware that loss of principal may occur with no guarantee of investment objectives being met. Investors face various risks, including the following:

- *Interest-Rate Risk*: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk*: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- *Inflation Risk*: When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed-income securities.
- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Default or Credit Risk*: Default risk stems from a company's potential failure to pay its contractual obligations, such as a bond. In such occurrences, equity and debt pricing, as well as credit ratings, may be impacted adversely, affecting the potential return of an investment and/or loss of principle. Credit risk is calculated based on a company's overall ability to repay.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, treasury bills are highly liquid, while real estate properties are not. Lack of liquidity can lead to the mispricing of a security or derivative, where changes in a securities value may not be reflected in the actual price of the derivative or underlying security.

- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Leverage Risk*: Leverage is the use of borrowing to increase the potential returns of an investment. One example is a mortgage on a home. The risk of using leverage in an investment strategy is the client's potential to lose more than the principal amount they originally invested.
- *Political Risk*: Often associated with investments in emerging markets or other international investments, political risk is the possibility that changes or instability in a government or country could have adverse effects on an investment leading to loss of principle.
- *Non-Diversification Risk*: the chance that the investment's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. An investment is considered non-diversified when it may invest a greater percentage of its assets in the securities of a small number of issuers as compared with other mutual funds.
- *ETF Risks*: The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.
- *Bond ETFs*: Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e., the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e., the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e., the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e., the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e., the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e., the risk that a bond may not be sold as quickly as there is no readily available market for the bond.
- *Mutual Fund Risks*: The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily; therefore, a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.
- *Options Contracts*: Investments in options contracts have the risk of losing value in a relatively short period of time. Options contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.
- *Margin Borrowings*: The use of short-term margin borrowings may result in certain additional risks to a client. For example, if securities pledged to brokers to secure a client's margin accounts decline in value, the client could be subject to a "margin call" pursuant to which it must either deposit

additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

- *Alternative Investments (Limited Partnerships):* The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. The client should only have a portion of their assets in these investments.
- *Incomplete or Inaccurate Information:* Maddix Wealth may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Maddix Wealth also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- *Portfolio Turnover:* An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- *Short Sales:* Maddix Wealth may sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- *Counterparty Risk:* Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Maddix Wealth does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- *Non-U.S. Securities:* Maddix Wealth may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include: political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- *Economic Conditions:* Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to clients.
- *Trade Errors/Client Losses:* Depending on the terms of each client's agreement, the client and not Maddix Wealth is responsible for any trade errors that Maddix Wealth makes in an account, even when the error hurts the client. Maddix Wealth and its affiliates and agents generally are not responsible to any client for losses incurred in an account unless the conduct resulting in such loss breached Maddix Wealth's fiduciary duty to the client or otherwise breached the standard of care applicable under the account agreement.
- *No Broker-Dealer or CPO/CTA Registration:* Maddix Wealth is not registered with the SEC as a broker-dealer, or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. Maddix Wealth believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Maddix Wealth could be subject to expensive legal action and potential termination.
- *Adverse Tax Consequences:* Maddix Wealth's activities could cause adverse tax consequences to clients, including liability for interest and penalties.

- *ERISA*: Maddix Wealth’s activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- *Conflicts of Interest*: Maddix Wealth and its affiliates may spend time on activities that compete with an account without accountability to clients, including investing for other clients and their own accounts. If Maddix Wealth receives better compensation and other benefits from managing other assets or client accounts, it has incentive to allocate more time to those other activities.
- *Performance-Based Compensation*: Maddix Wealth may be compensated based on performance (including unrealized appreciation) during specific periods. Such fee arrangements may create an incentive to make riskier investments.
- *Regulatory Risks*: Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Maddix Wealth must devote to regulatory compliance, to the detriment of investment activities.

The above is only a brief summary of some of the important risks that a client may encounter. Before deciding to invest with Maddix Wealth, you should consider carefully all of the risk factors and other information provided by Maddix.

Item 9: Disciplinary Information

Maddix does not have any legal or disciplinary events to disclose with respect to this Item. The backgrounds of Maddix and its supervisory persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 10: Other Financial Industry Activities and Affiliations

One of Maddix’s affiliates manages a private equity fund (see Part 1A, Item 7.A). There is a conflict of interest in that Jesse Silva controls all Maddix entities. Maddix addresses this conflict by ensuring that day-to-day operations are conducted by different personnel at different locations. .

Recommendations of Third-Party Managers (“TPMs”) and Related Conflicts

Maddix Wealth may invest client assets with third-party managers (“TPMs”) on Axxcess’ TAMP. Axxcess or Maddix Wealth may have arrangements with these TPMs whereby it receives a percentage of the fees charged by such managers if a client is referred to those TPMs. Maddix Wealth’s investment professionals may receive a referral fee based on a percentage of the fees charged by such TPM. Any such fees will be paid solely from the TPM’s investment management fees and will not result in any additional charge to the client

A conflict in interest exists as the sharing of fees creates a financial incentive to recommend that clients invest with a certain TPM that customarily allows Maddix Wealth investment professionals to share in the investment management fees or to invest with TPMs with a higher percentage split of fees to Maddix Wealth investment professionals. Any such arrangements are disclosed to clients prior to investment.

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

Maddix has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Maddix’s supervised persons. The Code of Ethics

includes general requirements that Maddix's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Maddix receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Maddix's Code of Ethics by contacting Maddix at (866) 847-9454 or by email at admin@maddixwealth.com.

Also on an annual basis, Maddix requires all employees to re-certify its compliance with Maddix's Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time.

The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct.

Maddix expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Maddix. Maddix's Code is comprehensive is distributed to each employee at the time of hire and annually thereafter (if there are changes). Maddix also supplements the Code of Ethics with annual training and ongoing monitoring of employee activity. Maddix's Code of Ethics includes the following:

- Requirements related to the confidentiality of your information
- Prohibitions on insider trading
- Rumor mongering
- The acceptance of gifts and entertainment that exceed Maddix's policy standards
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an ongoing and quarterly basis) all personal securities transactions (what Maddix calls "reportable securities" as mandated by regulation)

Maddix allows its supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. Owning the same securities that are recommended (purchase or sell) to clients presents a conflict of interest that, as fiduciaries, must be disclosed to clients and mitigated through policies and procedures. As noted above, Maddix has adopted the Code to address insider trading (material non-public information controls), gifts and entertainment, outside business activities, and personal securities reporting. When trading for personal accounts, supervised persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients can be violated if personal trades are made with more advantageous terms than client trades or by trading based on material non-public information. This risk is mitigated by Maddix requiring reporting of personal securities trades by its supervised persons for review by the Chief Compliance Officer ("CCO") or delegate. Maddix has also adopted written policies and procedures to detect the misuse of material, non-public information.

Item 12: Brokerage Practices

Research and Other Soft Dollars Benefits

Maddix may select a broker in recognition of the value of various services or products, beyond transaction execution, that such broker provides where, considering all relevant factors, it believes the broker can provide best execution. Selecting a broker in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” The term “soft dollars” is generally used to describe arrangements in which an investment adviser or money manager pays for research or other products or services from a broker using client commissions. The amount of compensation paid to such broker may be higher than what another, equally capable broker might charge. Maddix has soft dollar arrangements with Charles Schwab & Co, Inc. (“Schwab”) and Arete.

These brokers provide services including research, brokerage, custody, access to mutual funds, and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab, TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”), Deutsche Bank, Morgan Stanley, Goldman Sachs, Millennium Trust, US Bank, Wells Fargo Clearing, and Vantage (each a “Custodian” and collectively the “Custodians”) also make available to Maddix other products and services that benefit Maddix but may not benefit all its clients’ accounts. Some of these other products and services assist Maddix in managing and administering client accounts (e.g., software, other technology, and client account data such as trade confirmations and account statements), facilitate trade execution, provide research, pricing, information, and other market data, facilitate payment of fees from client accounts, and assist with back-office support, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of Maddix accounts. Consequently, Maddix may have an incentive to select or recommend these brokers based on its interests in receiving the research and other services rather than on its client’s interests in receiving the most favorable execution.

The receipt of such services may benefit Maddix because Maddix does not have to produce or pay for the research or other products or services when it obtains such products and services from an executing broker, where the broker may be using a part of its revenue from client commissions or fees it receives from Maddix clients. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to brokers in exchange for soft dollar benefits, including an incentive to select or recommend a broker based on Maddix interest in receiving the research or other products or services, rather than on client’s interest in receiving most favorable execution. Additionally, Maddix may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between Maddix and its clients generally authorize Maddix to use client soft dollars for a wide range of purposes.

The extent of any such conflict depends in large part on the nature and uses of the services and products

acquired with soft dollars. Maddix’s policy is to generally rely on the provisions of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”) when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity but generally allows Investment Advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, “research” means services or products used to provide lawful and appropriate assistance to Maddix in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for Maddix’s clients or to assist in effecting those transactions. For those soft dollar arrangements that do not comply with Section 28(e), Maddix will make full and frank disclosure regarding soft dollar arrangements to its clients so that the client is fully apprised of the facts and is able

to give informed consent. Soft dollar arrangements may be in the form of a specific percentage or dollar amount of “soft dollar credits” that Maddix may use to purchase technology, research, marketing, and compliance consulting-related expenses.

Consistent with obtaining best execution, brokerage transactions may be directed to certain brokers in return for investment research and brokerage products and services that assist Maddix in its investment decision-making process. Maddix may cause clients to pay commissions that are higher than those that another qualified broker might charge to effect the same transaction where Maddix determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Research and other products and services purchased with soft dollars will generally be used to service all of Maddix’s clients, but brokerage commissions paid by one client may be used to pay for research or purchase a service that benefits other clients, or that is not used in managing that client’s portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker providing the services.

Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, databases, and other technical and telecommunication services and equipment utilized in the investment management process. The research received by Maddix under such soft dollar arrangements may include both proprietary research (created or developed by the broker) and research created or developed by a third party.

Maddix participates in the Custodians’ institutional customer programs and may recommend the Custodians to clients for custody and brokerage services. There is no direct link between Maddix participation in the program and the investment advice it gives to its clients, although Maddix may receive economic benefits through its participation in the program. These benefits include, among other things, the following products and services which Maddix receives 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 service for advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client); 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 transactions fees and to certain institutional money managers; and discounts on marketing, technology, and practice management products or services provided to Maddix by third-party vendors.

The Custodians also may pay for business consulting and professional services received by Maddix or its employees. Some of the products and services made available by the Custodians through the program may benefit Maddix but may not benefit its client accounts. These products or services may assist Maddix in managing and administering client accounts, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help Maddix manage and further develop its business enterprise. The benefits received by Maddix or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, Maddix endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Maddix in

and of itself creates a conflict of interest and may indirectly influence Maddix's choice of the Custodians for custody and brokerage services. In the event Maddix receives a software maintenance credit from any of the client custodians, Maddix will use this credit to help offset a portion of the annual maintenance fee for Maddix's portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses. Maddix's selection of client custodians is not affected by this nominal credit.

With specific regard to accounts at Wells Fargo, First Clearing: Maddix utilizes Trade-PMR, Inc. ("Trade-PMR") for brokerage and trade execution services. Trade-PMR clears trades and custody assets with First Clearing, FINRA member broker-dealers. First Clearing is the trade name used by Wells Fargo Clearing Services, LLC ("Wells Fargo Clearing"), a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker-dealer on a fully disclosed basis. 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 Maddix's fee. Maddix regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty. Factors that the Advisor considers in recommending Trade-PMR and First Clearing or any other broker-dealer or custodian to clients include 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 Maddix 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, 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. Additionally, Maddix may receive the following benefits from Trade-PMR: 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.

Order Aggregation

When possible, the Custodians or other brokers used by clients may bunch orders of various clients for execution, which generally results in lower commission rates being attained. Maddix periodically reviews brokerage allocation practices, the receipt of soft dollar services, and the trade reports provided by such brokers to ensure that no client is favored over any other.

Maddix seeks to allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible. When doing so, Maddix considers each account's objectives, limitations, and capital available for investment.

Prime Brokerage, Custody, Clearing, and Settling – Partnerships

Through Axxcess, Maddix has a prime brokerage arrangement with the following registered brokers ("Prime Brokers"): Stifel Nicolaus, InspereX, Deutsche Bank, and Goldman Sachs. Under this arrangement, a Prime Broker, among other things: (i) arranges for the receipt and delivery of securities bought, sold, borrowed, and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) tenders securities in connection with tender offers, exchange offers, mergers, or other corporate reorganizations; and (v) provides detailed portfolio and related reports. Maddix may

cause clientele to pay for custodial and related services either in cash or by allocating a portion of its business to the Prime Broker.

Item 13: Review of Accounts

Maddix Wealth's investment advisory accounts are reviewed periodically by their designated investment adviser representatives. Compliance with stated client objectives is reviewed by the Chief Investment Officer and/or the CCO no less than on a quarterly basis.

The review of accounts includes suitability of investments, asset allocation in relation to risk level, changes in client's goals or circumstances, market direction, economic factors, the performance of securities, and/or political and world events.

A variation in an investor's personal life situation or psychology may trigger a review of accounts. In addition, changes in monetary and fiscal policy, inflation, supply and demand, geopolitical, and social factors are monitored continuously. Factors triggering reviews and perhaps triggering investment changes include changes in regulatory or tax conditions, changes in the general condition of the economy, changes in currency, stock or bond markets, and changes in any type of investment vehicle or individual security owned by clients.

Monthly account statements are prepared by the custodian and are sent directly to each client. Additionally, each client receives a transaction confirmation whenever an investment is bought or sold. Monthly, quarterly or annual reports are provided by Maddix upon request. Maddix will furnish to any client upon request or at scheduled meetings with the client a report detailing performance, asset allocation, and asset holdings. Reports detailing year-to-date gain/losses and transactions are also available upon request.

Item 14: Client Referrals and Other Compensation

Maddix may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Maddix complies with the other requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Funds Managed by Maddix Affiliates

Maddix Wealth or its investment adviser representatives may refer clients or recommend that clients invest in funds managed by other Maddix affiliates. In that case, Maddix Wealth and/or those investment adviser representatives may receive compensation based on the amount invested in those funds. Clients will not pay additional fees as a result of these arrangements, but Maddix Wealth has a conflict of interest in that it has an incentive to recommend funds managed by its affiliate over funds managed by unrelated third parties.

Participation in Institutional Adviser Platform (Schwab)

Maddix Wealth has established an institutional relationship with Schwab through its "Schwab Adviser Services" unit, a division of Schwab dedicated to serving independent advisory firms like Maddix Wealth. As part of a registered investment adviser participating on the Schwab Adviser Services platform, Maddix Wealth receives access to software and related support without cost because Maddix Wealth renders investment management services to clients that maintain assets at Schwab. Services provided by Schwab Adviser Services benefit Maddix Wealth, and many, but not all, services provided by

Schwab will benefit clients. In fulfilling its duties to its clients, Maddix Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence Maddix Wealth's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Services that Benefit the Client – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of clients' funds and securities. Through Schwab, Maddix Wealth may be able to access certain investments and asset classes that the client would not be able to obtain directly or through other sources. Further, Maddix Wealth may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the client were to directly access the investments.

Services that May Indirectly Benefit the Client – Schwab provides participating advisors with access to technology, research, discounts, and other services. In addition, Maddix Wealth receives duplicate statements for client accounts with the ability to deduct advisory fees, trading tools, and back-office support services as part of its relationship with Schwab. These services are intended to assist Maddix Wealth in effectively managing accounts for its clients but may not directly benefit all clients.

Services that May Only Benefit Maddix Wealth – Schwab also offers other services to Maddix Wealth that may not benefit the client, including educational conferences and events, financial start-up support, consulting services, and discounts for various service providers. Access to these services creates a financial incentive for Maddix Wealth to recommend Schwab, which results in a conflict of interest. Axxcess believes, however, that the selection of Schwab as Custodian is in the best interests of its clients.

Participation in Institutional Adviser Platform (TD Ameritrade)

As disclosed under Item 12 above, Maddix Wealth participates in TD Ameritrade's institutional customer program, and Maddix Wealth may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Maddix Wealth's participation in the program and the investment advice it gives to its clients, although Maddix Wealth receives economic benefits through its participation in the program that is typically not available to TD Ameritrade retail investors. 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 Maddix Wealth 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 Maddix Wealth by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Maddix's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Maddix but may not benefit its client accounts. These products or services may assist Maddix in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Maddix manage and further develop its business enterprise. The benefits received by Maddix or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Maddix endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the

receipt of economic benefits by Maddix or its related persons in and of itself creates a conflict of interest and may indirectly influence Maddix's choice of TD Ameritrade for custody and brokerage services.

Participation in Institutional Adviser Platform (Trade-PMR)

As noted in Item 12, Maddix will receive additional benefits from Trade-PMR, which includes electronic systems that assist in the management of Maddix client accounts, access to research, the ability to directly debit client fees, software, and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping, and client reporting.

Event Sponsorship

Periodically, Maddix holds meetings that may be firm-only, client-only or include external attendees. These meetings provide sponsorship opportunities for investment issuers and other third-party providers. Sponsorship fees allow these companies access to Maddix to discuss ideas, investments, or services, and the cost to host the event is lower to Maddix. The sponsorship fees go to assist in the payment of the meeting or future meetings. This could be deemed a conflict, as Maddix may refer business to a certain investment issuer due to their attendance and sponsorship. Maddix attempts to mitigate any potential conflict as Sponsorship fees are not dependent on assets placed with any specific provider or on the revenue generated by asset placement.

Item 15: Custody

All assets are held at a qualified custodian or held directly with the issuer, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Maddix and call Maddix with any questions.

Item 16: Investment Discretion Discretionary

Trading Authority

Maddix accepts discretionary authority to manage securities accounts on behalf of clients. In that case, Maddix has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. Maddix consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Limited Power of Attorney

By granting Maddix discretionary authority, the client authorizes Maddix to exercise discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, Maddix is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account and give instructions to third parties in furtherance of such authority.

Item 17: Voting Client Securities

In general, each client delegates proxy voting authority to Axxcess or the applicable TAMP. When Maddix votes proxies, Maddix will vote in favor of routine proposals, such as those for the election of auditors, and against proposals that in any way restrict a shareholder's ability to realize the full potential value of their investment (such as anti-takeover measures and cumulative voting rights). Other

proposals, such as officer and director stock plans, will be reviewed on a case- by-case basis. In the event that voting on a proposal may cause a conflict of interest, Maddix will vote as described above unless doing so does not address the potential conflict. In this case, Maddix will communicate the proxy information and intended vote to the client. Maddix will vote these proxies as decided by the client unless the client does not respond within a reasonable period of time, in which case Maddix will vote as communicated to the client.

Maddix does not direct advisory clients' participation in class actions. Maddix will forward any class action documentation inadvertently received to the appropriate advisory clients.

A client may request that Maddix votes its proxies in accordance with a different policy or direct Maddix to vote its securities in a particular way on a particular proposal, and Maddix will seek to do so, assuming timely receipt of the instruction.

Item 18: Financial Information

This Item is not applicable, because Maddix is not required to report financial information.

Item 19: Requirements for State-Registered Advisers

This Item is not applicable because Maddix Holdings is not registered with a state.