

**FORM ADV PART 2A: BROCHURE**

**WAVELAND FAMILY OFFICE, LLC**

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**Northbrook, IL 60062**

**(847) 874-8210**

**CRD # 325248**

**March 22, 2023**

**This brochure (the “Brochure”) provides information about the qualifications and business practices of Waveland Family Office, LLC. If you have any questions about the contents of this Brochure, please contact us at (847) 874-8210. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

**Additional information about Waveland Family Office, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search the SEC’s site using a unique identifying number, known as a CRD number. The CRD number for Waveland Family Office, LLC is #325248.**

## **ITEM 2: MATERIAL CHANGES**

Since the initial Form ADV Part 2A Brochure for Waveland Family Office, LLC was filed on February 14, 2023 as part of an application to register as an investment adviser with the United States Securities and Exchange Commission (“SEC”), we report the following changes to this Brochure:

- Waveland Family Office, LLC is now registered as an investment adviser with the SEC.
- Waveland Family Office, LLC’s main phone number has changed to (847) 874-8210.
- Item 10 has been updated to disclose that Managing Member Allen C. Berg is no longer registered with Kovitz Investment Group Partners, LLC (CRD# 282241, “Kovitz”) as an Investment Adviser Representative (IAR). However, Mr. Berg is overseeing the transition of client accounts from Kovitz to Waveland Family Office, LLC.
- Item 15 has been updated to provide more information about Waveland Family Office, LLC’s custody arrangements.
- Item 17 has been updated to disclose the anticipated change to Waveland Family Office, LLC’s proxy voting practices.

Going forward, Waveland Family Office, LLC will provide clients with a summary of any material changes to this Brochure within 120 days of the close of its fiscal year end and may provide additional interim disclosure about material changes, if warranted, in compliance with regulatory guidance. For a current copy of this Brochure, please contact the Chief Compliance Officer at (847) 874-8210. Additional information about Waveland Family Office, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #325248.

## TABLE OF CONTENTS

	<u>Page</u>
ITEM 1: COVER PAGE .....	i
ITEM 2: MATERIAL CHANGES .....	ii
ITEM 3: TABLE OF CONTENTS .....	iii
ITEM 4: ADVISORY BUSINESS .....	1
ITEM 5: FEES AND COMPENSATION .....	4
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	7
ITEM 7: TYPES OF CLIENTS .....	7
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	8
ITEM 9: DISCIPLINARY INFORMATION .....	15
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	15
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	16
ITEM 12: BROKERAGE PRACTICES .....	18
ITEM 13: REVIEW OF ACCOUNTS .....	20
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	21
ITEM 15: CUSTODY .....	22
ITEM 16: INVESTMENT DISCRETION .....	23
ITEM 17: VOTING CLIENT SECURITIES .....	24
ITEM 18: FINANCIAL INFORMATION .....	25

#### ITEM 4: ADVISORY BUSINESS

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

Waveland Family Office, LLC, a private investment firm headquartered in Northbrook, IL, was formed as a limited liability company in December 2022 to provide investment advisory and family office services primarily to high-net-worth clients, trusts, families, charitable organizations, and small businesses. Waveland Family Office, LLC is 100% owned and managed by Managing Members Allen C. Berg and Dennis M. Zaslavsky, (each a “Principal”, together the “Principals”).

This Brochure describes the business practices of Waveland Family Office, LLC. As used throughout this Brochure, the terms “Waveland”, “Firm”, “we,” “our,” and “us” refer to Waveland Family Office, LLC while the words “you,” “your,” and “client” refer to you as either a client or prospective client of our Firm.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

##### Investment Advisory Services

Waveland provides discretionary investment management and wealth planning services on a discretionary fee basis. Waveland’s annual investment advisory fee for such services is based upon a percentage (%) of the market value of the assets placed under our management, as set forth in *Item 5 – Fees and Compensation* below. Prior to engaging Waveland to provide these services, clients are generally required to enter into an Investment Advisory Agreement with the Firm, setting forth the terms and conditions of the engagement (including termination), describing the scope of services to be provided and applicable fees. The annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning, and consulting services.

Our clients may restrict us in the management of their accounts, such as the amount, type, or nature of stocks or bonds to buy or sell, as long as they are reasonable, consistent with our professional responsibility and investment philosophy, and allow us to substantially implement our investment strategies. As a fiduciary, we have duties of care and loyalty to you and are subject to obligations imposed on us by federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our Investment Advisory Agreement with you should be interpreted as a limitation of our obligations under applicable federal and state securities laws or as a waiver of any un-waivable rights you possess.

### Selection of Sub-advisers

For the majority of client portfolios, Waveland has discretionary authority to engage third party, unaffiliated sub-advisors (each a “Sub-adviser” and together, “Sub-advisers”) to manage portions or all of the client’s portfolio consistent with the desired investment strategy.

Under such arrangements, Waveland will continue to render advisory services to the client, for which we will receive an annual advisory fee which is based upon a percentage of the market value of the assets subject to our continuous supervision. As the primary adviser and fiduciary, Waveland will be responsible for gathering information related to the client’s investment objectives and risk tolerance, portfolio strategy selection, and oversight of the Sub-adviser. The Sub-adviser will provide discretionary investment management and trade execution services. Factors which we will consider when selecting the Sub-adviser(s) include investment strategy options, management style, performance, reputation, financial strength, trade execution capabilities, reporting, pricing, and research.

Waveland compensates the Sub-adviser(s) directly from its revenues in the form of a flat fee and/or asset-based fee. This compensation arrangement is negotiated between Waveland and the Sub-adviser(s).

### Family Office Services

In addition to the investment advisory services described above, Waveland offers “Family Office Services” to clients. Family Office Services include, where applicable, comprehensive reviews and monitoring of clients’ investment assets, including investment strategies and assets that are not directly managed by Waveland; financial planning and budgeting; estate planning; tax planning and compliance; family succession planning and education; bookkeeping; insurance advice; and bill paying services, among other services. Waveland determines eligibility for Family Office Services on a case-by-case basis. We negotiate fixed fees for Family Office Services, which vary depending on the nature of services provided. These fees are separate from the Firm’s standard “asset-based” fees that we charge for investment advisory services.

### IRA Rollovers

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (a) leave the money in the former employer’s plan, if permitted; (b) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted; (c) roll over to an Individual Retirement Account (“IRA”); or (d) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If Waveland recommends that a client roll over their retirement plan assets into an account to be managed by Waveland, such a recommendation creates a conflict of interest if Waveland will earn new (or increase our current) compensation as a result of the rollover. If Waveland provides a recommendation as to whether a client should engage in a rollover or not, Waveland is acting as a fiduciary 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. No client is under any obligation to roll over retirement plan assets to an account managed by Waveland.

### Valuation

In the event that Waveland references private investment funds owned by the client on any supplemental account reports prepared by the Firm, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the fund sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s). Waveland's Chief Compliance Officer remains available to address any questions regarding this conflict of interest.

### Cash Positions

Waveland treats cash as an asset class. As such, unless we determine otherwise, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating our investment advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Waveland may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Waveland's investment advisory fee could exceed the interest paid by the client's cash sweep or money market fund.

### Differences in Client Account Construction and Performance

Waveland expects to manage or advise numerous advisory accounts and these accounts may have or will have similar investment objectives as other accounts. It is not anticipated that accounts having identical or substantially similar investment objectives will have identical or substantially similar investment portfolios. Differing investment portfolios will result from several factors, including, without limitation, the following: the timing of account inception, different investment decisions made by Waveland and/or the Sub-adviser(s); regulatory constraints that apply to certain accounts but not to others; investment constraints imposed by the client; and the amount of cash available for investment at certain times. As a result of factors such as these, accounts may have different investment portfolios (and, as a result, different performance results) from other accounts even though the accounts have substantially similar investment objectives.

### Investment Advisory Agreements

Prior to engaging Waveland, clients are required to enter into a written Investment Advisory Agreement which discloses, in substance, a description of services to be provided, the term of the agreement, discretionary authority conveyed to us, the investment advisory fee and formula for computing the fee, terms associated with the return of fees or pro-rata fees in the event of contract

termination, and a non-assignment clause, among other provisions. Termination provisions are outlined in the Investment Advisory Agreement as well.

#### Family Office Services Engagement Letters

Prior to engaging Waveland, each client is required to execute a written Family Office Service Engagement Letter which discloses in substance, a description of services to be provided, fees, terms associated with the return of fees or pro-rata fees in the event of contract termination, and other provisions as required by governing law.

- C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

Clients may impose reasonable restrictions on investing in certain securities or types of securities. Those restrictions are normally outlined in writing within the Investment Advisory Agreement.

- D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Waveland does not participate in wrap fee programs at this time.

- E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of the date of this filing, Waveland has no regulatory assets under management.

#### **ITEM 5: FEES AND COMPENSATION**

- A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

#### Fees for Investment Advisory Services

Waveland charges its clients an annual investment advisory fee (usually quarterly in advance) based on the fair market value of assets under management, which includes cash and cash equivalents, as of the last day of the previous calendar quarter. We can change our fees if we give prior written notice to clients. If a client relationship ends, we will use the date of termination to value the account to calculate the final fees that we will refund to the client. We prorate fees using the termination date and we reimburse clients for any portion of collected fees we do not earn.

#### Fee Schedule

Fees charged to client accounts are based on a percentage of the market value of assets under management. Annual investment advisory fees shall vary from negotiable up to 1.00% of the total

assets placed under Waveland's management and shall be based upon various objective and subjective factors. These factors include client investment strategy, client type, client domicile, services provided, the client's historical relationship with Waveland's Principals, account size, current and anticipated future assets under management, marketplace considerations, client's operational or investment limitations or restrictions, level of client servicing required, and other factors Waveland deems relevant. Certain clients may pay more or less than other clients for the same or similar investment advisory services.

When billing our client accounts for investment advisory fees, we typically "group" them by family (or "household"). Householding practices apply only to Waveland's investment advisory fees, and do not apply to custodial or other fees or expenses that client accounts directly bear.

#### Fees for Family Office Services

When providing Family Office Services, Waveland charges a fixed fee to clients for the value-added services provided. This fixed fee is in addition to the annual investment advisory fee, if applicable, charged to the client for managing their assets. The fixed fee is negotiated on a client-by-client basis and is normally charged on a quarterly basis and covers, among other things, comprehensive reviews and monitoring of clients' investment assets, including investment strategies and assets that are not directly managed by Waveland; financial planning and budgeting; estate planning; tax compliance and planning; family succession planning and education; bookkeeping; insurance advice; and bill paying services, among other things. Fixed fees for Family Office Services are subject to an annual adjustment which is negotiated on a client-by-client basis.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

#### Investment Advisory Fees

Clients may elect to have Waveland's investment advisory fees deducted from their custodial account. In such situations, both Waveland's Investment Advisory Agreement and the custodial/clearing agreement authorize the custodian to debit the account for the amount of Waveland's investment advisory fee and to directly remit that management fee to Waveland in compliance with regulatory procedures. In the event that Waveland bills the client directly, payment is due upon receipt of Waveland's invoice. Waveland will deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets in the account on the last day of the previous quarter.

#### Family Office Services Fees

Family Office Services fees are typically invoiced quarterly in advance. In any partial calendar quarter, fees are pro-rated based on the number of days in which we provide Family Office Services.



- C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

#### Investment Advisory Fees

As discussed below, unless the client directs otherwise or an individual client's circumstances require, Waveland shall generally recommend that Fidelity Investments ("Fidelity") serve as the broker dealer/custodian for client assets. Broker-dealers such as Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, whereas commissions are or may be charged for individual equity and fixed income securities transactions). In addition to Waveland's investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

In addition to fees paid to Waveland, clients may incur operating and transaction fees, costs and expenses associated with maintaining their accounts imposed by custodians, brokers, futures commission merchants, prime brokers, and other third parties. Examples of these charges include but are not limited to custodial fees, margin, deferred sales charges, "mark-ups" and "mark-downs" on trades, odd-lot differentials, transfer taxes, handling charges, exchange fees, wire transfer fees, electronic fund fees, conversion fees for American Depositary Receipts ("ADRs") and other fees and taxes on brokerage accounts and securities transactions. Waveland does not receive any portion of these commissions, fees, or costs. See *Item 12 – Brokerage Practices* for more information about expenses associated with client transactions.

#### Family Office Services Fees

Waveland's Family Office Services Fees do not include fees that may be charged by other financial service providers, such as banks, custodians, legal advisers, and sponsors of investment programs outside of Waveland's direct management.

- D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

#### Investment Advisory Fees

Clients are typically invoiced for investment advisory fees quarterly in advance. Upon termination, the investment advisory fee will be pro-rated to cover only the period in which Waveland provided investment advisory services. Termination provisions are specified in the client's Investment Advisory Agreement.

## Family Office Services Fees

Client are generally invoiced for Family Office Services quarterly in advance. Upon termination of services, the fee will be pro-rated based upon the number of days during the period in which services were provided and work in progress.

- E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.**

Waveland and its employees do not accept compensation, including sales charges or service fees, for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Furthermore, Waveland does not receive any portion of the fees and charges imposed by custodians and brokers.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

Waveland does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in *Item 5 - Fees and Compensation* above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account. Waveland does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund, hedge fund, or private fund) and has no financial incentive to recommend any particular investment options to its clients.

## **ITEM 7: TYPES OF CLIENTS**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

As noted in *Item 4 – Advisory Business* above, Waveland provides discretionary investment advisory services to clients who may include individuals, families, trusts, estates, charitable

organizations, and other corporations or business entities and may include, directly or indirectly, Principals or other employees of the Firm and their affiliates and members of their families.

Waveland typically imposes a minimum annual fee of \$150,000 per household or family in aggregate for investment advisory and Family Office services. Waveland may waive or reduce minimum fee requirements in its discretion, including based upon certain criteria as described in *Item 5 – Fees and Compensation* above, and reserves the right to decline to provide services to any client or household in its sole discretion.

#### ERISA Accounts

Waveland is deemed to be a fiduciary to clients that are employee benefit plans pursuant to ERISA, and regulations under the Internal Revenue Code of 1986, respectively. As such, our Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Waveland is permitted to only charge fees for investment advice about products for which our Firm and/or our related persons do not receive commissions. ERISA Rule 408(b)(2) requires full disclosure of our services and compensation and should be read in conjunction with this Form ADV Part 2A and the Investment Advisory Agreement, where applicable.

### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

##### Methods of Analysis and Investment Strategies

Securities as investment instruments are intended for clients who are willing and able to bear the economic risks deriving from them, including the loss of the total investment. Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Because of the inherent risk of loss associated with investing, Waveland is unable to represent, guarantee, or even imply that Waveland's services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate any client from losses due to market corrections or declines.

Waveland's analysis of securities and markets may include charting, fundamental and technical analysis. In selecting Sub-advisers and in ongoing due diligence and monitoring of Sub-advisers, Waveland may use quantitative and qualitative analysis, an interview process, on-site visits and conference calls, as well as information supplied by industry professionals.

Waveland and its selected Sub-advisers use various investment strategies and techniques across a wide range of financial instruments. The financial instruments generally include, but are not limited to cash, corporate and government fixed income securities, listed and non-listed equities,

exchange listed securities, mutual funds, funds of mutual funds, and exchange-traded funds (“ETFs”), among others.

- B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

### General Risks

**Investing in any type of security involves risk of loss that clients should be prepared to bear.**

This Brochure does not include every potential risk. Clients should be aware that an investment in securities involves a high degree of risk and, therefore, should be undertaken only by those capable of evaluating the risks and bearing the risks it represents. There can be no assurance that a client’s investment objectives will be achieved. In addition, there will be occasions when Waveland may encounter potential conflicts of interest in connection with separate account clients. The following considerations, among others, should be carefully evaluated before investing.

### Selection of Sub-advisers

When client assets are invested by Sub-advisers, Waveland does not directly control the day-to-day investment decisions of such Sub-advisers. A Sub-adviser may stray from its stated investment strategy (known as “style drift”) or make poor investment decisions which place client assets at greater risk of loss. A Sub-adviser may face regulatory problems which could have an impact on their ability to attract assets and professional staff.

Waveland’s judgement about a Sub-adviser could be incorrect. There is no guarantee that the securities, or investment strategies recommended for a client’s accounts will perform as anticipated. Although Waveland seeks to recommend an optimal asset allocation among different asset categories and strategies to limit risk, a client’s portfolio could have exposure to an asset category, strategy, or Sub-adviser that performs poorly relative to other asset categories, strategies, or Sub-advisers.

### Equity Risks

Clients are reminded that there are risks to investing in equities. The following are examples of such risks:

**Market Risk:** Equity securities fluctuate in value, and such fluctuations can be significant. The price of an equity security may drop in response to the activities of the individual company but can also be caused by other factors that are unrelated to company’s condition or circumstances. Equity prices can react to tangible and intangible events, such as political, economic, and social conditions. In addition, stock markets tend to move in cycles, with periods of rising prices and

periods of falling prices. The value of the equities that a client holds may decline over short or extended periods of time.

**Business Risk:** Securities issued by certain types of companies or companies within certain industries are subject to greater risks of loss due to the nature of their business. For example, certain companies may have to devote a large amount of resources and investment over many years before they can deliver a product or service to customers at a profit. They may carry a higher perceived risk of loss than companies which receive a steady, predictable stream of income from customers regardless of the economic environment.

**Concentration Risk:** Clients whose investment portfolios are not “diversified” – that is, portfolios heavily weighted in a small number of securities, industries, sectors, or types of investments (equities versus fixed income) may experience more volatility and fluctuation in market values than those who have more diversified portfolios. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

**Liquidity Risk:** “Liquidity” is the ability to readily convert an investment into cash. If an asset is not liquid, there may be a greater risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price substantially below what is perceived as a “fair” value. Generally, an asset is more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security. For example, Treasury Bills are highly liquid, while real estate properties are generally considered illiquid.

#### Fixed-Income Risks

As with equities, there are risks to investing in fixed income securities, such as Market Risk, Business Risk, and Concentration Risk (please see the discussion of those risks above). In addition, there are risks that are specific to fixed income securities. The following are some examples:

**Liquidity Risk:** As we have described above, liquidity is the ability to readily convert an investment into cash. Generally, an asset is more liquid if it represents a standardized product or security and there are many parties interested in making a market in that product or security. For example, Treasury Bills are highly liquid, while real estate properties are generally considered illiquid. If an asset is not liquid, there may be a greater risk that, if circumstances require an investor to sell the asset quickly, it will be sold at a price substantially below what is perceived as a “fair” value. Given our firm’s investment philosophy and trading strategy, which we have described above, this risk applies to our clients who hold fixed income securities. As we have also described above, we tend to purchase fixed income securities in smaller lots for our clients and intend for our clients to hold them until maturity. If clients direct us, however, to sell certain fixed income securities rather than holding them to maturity, we may be unable to obtain a favorable or “fair” sale price.

**Interest Rate Risk:** Fluctuations in interest rates may cause prices of fixed income securities to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Specifically, with respect to structured notes, coupon rates can fall to zero, as the rates on such securities are adjustable, and will change as a result of changes in interest rates.

**Credit (Default) Risk:** The owner of a fixed income security may lose money if the party that issues the security is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its obligations. Further, when an issuer's financial condition suffers, or a credit rating agency lowers the issuer's credit rating, the price of the issuer's bonds may decline and/or experience greater volatility. These changes can also affect the liquidity of the issuer's fixed income securities and make them more difficult to sell.

**Prepayment Risk:** When the issuer of a fixed income security has the right to prepay principal, if it exercises that right earlier or at a higher rate than expected, a client may incur losses. This means that the client may be unable to recoup his/her initial investment and may have to reinvest in lower yielding securities. This can have a negative effect on the client's income stream, total return and/or the price of the security. Prepayment risk tends to be highest in periods of declining interest rates.

**Reinvestment Risk and Inflation Risk:** Reinvestment Risk is the risk that future proceeds from investments may have to be reinvested at potentially lower rates of return (interest rates). With respect to inflation, when any type of price inflation is present, a dollar today will not buy as much as a dollar next year, because a person's "purchasing power" is eroding at the rate of inflation.

#### Exchange-Traded Fund Risk

Similar to equity securities, ETFs fluctuate in value, and such fluctuations can be significant. The price of an ETF can drop in response to the activities of the individual companies held by the ETF but can also be caused by other factors that are unrelated to a specific holding's condition or circumstances. ETF prices can react to tangible and intangible events, such as political, economic, and social conditions. In addition, stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The value of the ETFs that a client holds may decline over short or extended periods of time.

**Leverage:** Also, ETFs that seek to provide investment results that are the inverse (opposite) of the performance of an underlying index, are subject to the risk that the performance of such ETF will fall as the performance of that ETF's benchmark rises. In addition, some ETFs utilize leverage (i.e., borrowing) in order to acquire their underlying portfolio investments. The use of leverage can exaggerate changes in an ETF's share price and the return on its underlying investments.

Accordingly, the value of a client's investments in ETFs may be more volatile and all other risks, including the risk of loss of an investment, tend to increase. As a result of compounding, inverse and leveraged ETFs often have a single day investment objective. An inverse ETF's performance for periods greater than one day is likely to be either greater than or less than the inverse of the index performance as stated in the ETF's objective. Similarly, a leveraged ETF's performance for periods greater than one day is likely to be either greater than or less than the index performance times the stated multiple in the ETF's objective. This effect becomes more pronounced for these types of ETFs as market volatility increases. Investments by clients in inverse and leveraged ETFs may result in increased volatility of returns. As a result, investments in these types of securities can result in client not achieving their investment objectives.

**Concentration Risk:** Sector ETFs, such as REITs, are subject to industry concentration risk, which is the chance that stocks comprising the sector ETF will decline due to adverse developments in that particular industry.

**Interest Rate Risk:** Fixed income ETFs are subject to interest rate risk which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Securities rated below investment grade, commonly referred to as “junk bonds”, involve greater risks than securities in higher rating categories. Junk bonds are regarded as speculative in nature, involve greater risk of default by the issuing company, and may be subject to greater market fluctuations than higher rated fixed income securities.

**Credit (default) Risk:** Fixed income ETFs are also subject to credit (default) risk. The owner of a fixed income security may lose money if the party that issues the security is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its obligations. Further, when an issuer’s financial condition suffers, or a credit rating agency lowers the issuer’s credit rating, the price of the issuer’s bonds may decline and/or experience greater volatility. These changes can also affect the liquidity of the issuer’s fixed income securities and make them more difficult to sell.

### Mutual Fund Risk

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, alternative investments, 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 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. The returns on mutual funds are 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.

### Foreign Investments

Investments in securities of foreign issuers often involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks are at times more pronounced for investments in developing countries.

### American Depositary Receipts (“ADRs”)

ADRs are typically issued by a US bank or trust company and represent ownership of underlying foreign securities. Positions in these securities are not necessarily denominated in the same currency as the common stocks into which they could be converted. Generally, ADRs, in registered

form, are designed for the U.S. securities markets. In addition to the risks presented in any investment – changes in value, changes in demand – there are several risks unique to ADRs that must be considered. For instance, while they tend to react to normal market fluctuations like regular stocks, ADRs are still vulnerable to currency risks. If the value of the company's home currency falls too much relative to the US Dollar, the effect will eventually trickle down to the ADR. The same can be said for changes in the home country's government.

### Emerging Market Securities

Certain client portfolios may hold investments in various markets, some of which could be considered "emerging markets", or in companies with material exposure to emerging markets. Many emerging markets are developing both economically and politically and could have relatively unstable governments and economies based on only a few commodities or industries. Many emerging market countries do not have firmly established product markets and companies could lack depth of management or could be vulnerable to political or economic developments such as nationalization of key industries. Emerging market securities risks include: (i) greater risk of expropriation, confiscatory taxation, nationalization, social and political instability (including the risk of changes of government following elections or otherwise) and economic instability; (ii) the relatively small current size of some of the markets for securities and other investments in emerging markets issuers and the current relatively low volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which could restrict a portfolio's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the potential for higher rates of inflation or hyper-inflation; (vi) currency risk and the imposition, extension or continuation of foreign exchange controls; (vii) interest rate risk; (viii) credit risk; (ix) lower levels of democratic accountability; (x) differences in accounting standards and auditing practices which could result in unreliable financial information; and (xi) different corporate governance frameworks. Furthermore, emerging markets are characterized by numerous market imperfections, analysis of which requires long experience in the market and a range of complementary specialist skills. In the recent past, the tax systems of some emerging markets countries have been marked by rapid change, which has sometimes occurred without warning and has been applied with retroactive effect.

### Limited Operating History

Although Waveland's Principals have investment and business experience, Waveland itself has a limited operating history. Clients will be dependent upon the experience and expertise of Waveland and its Principals to manage investments, recommend and oversee Sub-advisers, and administer day-to-day operations. There can be no assurance that Waveland will be able to successfully implement its investment programs or that its Principals will remain employed by the Firm throughout the lifecycle of a portfolio.

### Cybersecurity Risk

The computer systems, networks and devices used by Waveland, Sub-advisers, and related service providers to carry out routine business operations employ a variety of protections designed to



prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### COVID-19 Risk

The transmission of COVID-19 and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies. Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks.

### Russian Invasion of Ukraine and Similar Events

Russia launched a large-scale invasion of Ukraine In February, 2022 and, in response, the United States and other governments have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that such governments could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities,

such as oil and natural gas, as well as other sectors. Although client portfolios may not directly invest in businesses located in Russia, Ukraine, or surrounding regions, these events could negatively affect the value and liquidity of client investments due to the interconnected nature of the global economy and capital markets.

#### **ITEM 9: DISCIPLINARY INFORMATION**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

Like other registered investment advisers, Waveland is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's or potential client's evaluation of Waveland or the integrity of its management. Waveland is not aware of any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of Waveland or the integrity of its management.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither Waveland nor any of its management persons are registered as a representative of a broker-dealer or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Managing Member Dennis M. Zaslavsky is currently a majority owner and control person of an independent private equity firm, Waveland Investments, LLC (CRD # 169123). Together with its affiliated advisers and general partners Waveland Investments, LLC is an SEC exempt reporting adviser. As a result of his ownership, Dennis M. Zaslavsky receives distributions of profits, if any. Dennis M. Zaslavsky serves as a board member for certain private companies held in the private equity funds sponsored by the exempt reporting adviser. Waveland Investments, LLC does not anticipate making new investments going forward. Dennis M. Zaslavsky expects to dedicate the majority of his time to the business of Waveland Family Office, LLC. To manage any conflicts of interest associated with these affiliated entities, Dennis M. Zaslavsky is separately subject to the compliance programs of each entity.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither Waveland nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

- C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with defined related persons. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

As noted above, in addition to investment advisory services, Waveland provides Family Office Services to its clients. Such services include the following: comprehensive reviews and monitoring of clients' investment assets, including investment strategies and assets that are not directly managed by Waveland; financial planning and budgeting; estate planning; tax compliance and planning; family succession planning and education; bookkeeping; insurance advice; and bill paying services, among other things. Waveland determines eligibility for Family Office Services on a case-by-case basis. Each client acknowledges which services are to be performed in the Family Office Services Engagement Letter with Waveland. Consequently, certain clients engage us to provide some, but not all, of the services listed above.

- D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices, and discuss the material conflicts of interest these practices create and how you address them.**

As noted above, Waveland has discretionary authority to engage Sub-advisers to manage and trade portions or all of the client's portfolio consistent with the desired investment strategy and asset allocation plan. Waveland compensates such Sub-advisers directly under a flat-fee and/or asset-based fee arrangement. Waveland is not aware of any conflicts of interests associated with these arrangements.

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

- A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

Waveland values client trust and places its fiduciary responsibilities to each client first and foremost in all aspects of its business. In accordance with Rule 204A-1 under the Advisers Act, Waveland has adopted a code of ethics (the "Code of Ethics"). The Code of Ethics outlines a high standard of business conduct and reinforces each employee's role in discharging the fiduciary duty to clients. The Code of Ethics sets forth standards of conduct expected of employees and addresses conflicts that arise from personal trading, gifts and entertainment, political contributions, and outside business activities. Waveland's employees must submit certain Code of Ethics reports to the Chief Compliance Officer, including specified personal securities transactions, holdings, and pre-approval requests. Waveland is committed to maintaining the confidentiality, integrity, and

security of current and prospective clients' nonpublic personal information and adheres to high standards to safeguard such information.

The Waveland Code of Ethics sets forth the basic policies of ethical conduct for all employees. In addition, the Code of Ethics governs personal trading by each employee deemed to be an Access Person<sup>1</sup> and requires that securities transactions effected by Access Persons of Waveland are conducted in a manner that avoids any actual or potential conflict of interest between such persons and the clients of Waveland.

Access Persons are required to obtain pre-approval from Waveland's Chief Compliance Officer prior to personal account transactions in certain designated financial instruments. This policy applies to financial instruments in which the Access Person has any direct or indirect beneficial ownership. An Access Person is deemed to have beneficial ownership if the Access Person, directly or indirectly, has or shares a direct or indirect opportunity to profit or share in any profit derived from the financial instrument.

A copy of Waveland's Code of Ethics is available to any current or prospective client by contacting the Chief Compliance Officer at (847) 874-8210.

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice, and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Waveland does not expect to buy or sell for client accounts, securities in which it or a related person has a material financial interest. Waveland may not in the future exercise investment discretion for securities in which Waveland or a related person has a material financial interest unless Waveland obtains the client's prior specific and informed written consent. Waveland will amend this disclosure in the future were Waveland to advise clients, or exercise discretion on their behalf with respect to securities issued by Waveland, a related issuer or, during the security's distribution, by a connected issuer. In these situations, Waveland will disclose the nature and extent of the relationship or connection between Waveland and the issuer of the securities.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options, or futures) that you or a related person recommends to clients, describe your practice, and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

Waveland employees that have accounts managed by the Firm may invest in the same securities in which our advisory clients invest and/or may allocate personal or family assets to Sub-advisers who also manage client accounts. This is a conflict of interest due to the risk that we or a Sub-adviser will favor our own accounts over accounts of our clients in the timing or allocation of security transactions. There is a risk that we or a Sub-adviser may choose to buy a security in our

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<sup>1</sup> An Access Person of an investment adviser is any supervised person who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund; or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

personal accounts before we buy it in our advisory clients' accounts. There is also a risk that we or a Sub-adviser may allocate a security in limited supply to our accounts instead of the accounts of our advisory clients.

Our Code of Ethics is designed to help mitigate these risks:

- Employees must report all of their personal securities holdings, and those of members of their household ("under the same roof"). They are required to do so when they become Access Persons, as defined above, and annually thereafter;
- All employees are required to report quarterly securities transactions in their accounts, and accounts of those in their household. This includes transactions executed "away" from Waveland. We review these transactions on a periodic basis;
- We conduct periodic reviews of the performance of employee accounts, and we review the transactions in employee and employee-related accounts as they relate to transactions in client accounts; and
- When our employees invest in the same securities as our advisory clients, we or designated Sub-advisers generally execute those transactions at the same time or after advisory client accounts are traded; when at the same time, an average price is applied at the time of transaction so that employee accounts are not favored.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

See Section 11.C. above.

## **ITEM 12: BROKERAGE PRACTICES**

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

Where Sub-advisers retain discretionary authority to transact on behalf of our clients, Waveland does not select or recommend broker-dealers for client transactions.

When Waveland retains discretion to directly trade in a client's account, Waveland's expects to trade directly with the client's custodian. If the client requests that Waveland recommend a broker dealer/custodian for execution and/or custodial services, Waveland generally recommends that investment advisory accounts be maintained at Fidelity, a FINRA-registered broker-dealer and member of SIPC. Waveland is independently owned and operated and not affiliated with Fidelity. Fidelity will hold your assets in a brokerage account and buy and sell securities when Waveland and/or a designated Sub-adviser(s) instructs them to do so.

While Waveland recommends clients use Fidelity as a custodian/broker, clients must ultimately decide whether to do so. Waveland does not directly open the accounts for clients but will assist in the paperwork required to do so. Prior to engaging Waveland to provide investment advisory services, the client will be required to enter into a formal Investment Advisory Agreement with Waveland setting forth the terms and conditions governing the relationship, and a separate custodial/clearing agreement with each designated broker dealer/custodian.

Factors that Waveland considers in recommending Fidelity (or any other broker-dealer/custodian to clients) include financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Waveland clients shall be competitive, a client may in certain situations pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Waveland determines, in good faith, that the commission/transaction fee 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:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for your account); • Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchanged traded funds and notes, etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength and stability of the provider;
- Their prior service to us and our other clients; and
- Availability of other products and services that benefit us, as discussed below.

**1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.**

Waveland does not utilize soft dollars, which are the benefits provided to an asset manager by a broker-dealer due to the commissions generated from financial transactions executed by the broker-dealer for client accounts or funds managed by the asset manager.

**2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a**

**broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

As noted above, when Waveland retains discretion to make such a selection, Waveland's policy on broker selection is generally to trade directly with the client's custodian. Waveland does not receive client referrals from any broker-dealer or custodian holding client assets.

- 3. Directed Brokerage. If you routinely recommend, request, or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. If you permit a client to direct brokerage, describe your practice.**

Waveland does not accept directed brokerage instructions from clients.

- B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

When and if Waveland is responsible to execute trades directly on behalf of clients, it is expected that each client transaction will be handled separately. If circumstances arise where multiple client accounts are trading the same security at the same time and Waveland is executing such trades, the Firm has the authority to aggregate such trades if doing so is believed to be in such clients' best interests.

Sub-advisers who are designated to manage client accounts are responsible for trade execution decisions. As part of our due diligence when selecting Sub-advisers, Waveland will consider an array of factors, which may include trade allocation and best execution practices. Such practices are detailed in Form ADV disclosures made available to Waveland investment advisory clients upon request.

#### **ITEM 13: REVIEW OF ACCOUNTS**

- A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

For investment advisory services, a Waveland Principal conducts periodic reviews of each Waveland client portfolio for adherence of the asset allocation and investment strategy to the client's investment guidelines. The Principal monitors markets, world and economic events, and the Sub-adviser(s) on a continuous basis.

For Family Office Services, the terms of client reviews occur in accordance with the terms of the governing Family Office Services Engagement Letter. Review scope and frequency will vary by client.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Certain factors would trigger additional review of a client's account. The frequency, interval, and scope of these reviews depend upon many factors, including but not limited to:

- Changes in market conditions;
- Re-balancing of assets to maintain proper asset allocation;
- Contributions or withdrawals of cash;
- Change in the client's investment restrictions, investment objectives, or investment policy; and/or
- Requirements that could be imposed by court order or by regulators (e.g., SEC, Department of Labor, etc.)

Clients should contact Waveland if any changes occur in their investment objectives which may affect the services provided by Waveland.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

For investment advisory services, client reports are prepared by Waveland and/or the designated Sub-adviser(s) typically at least quarterly. Investment advisory clients also receive statements and confirmations directly from their independent custodian. Clients should carefully review the custodian statements and compare these statements to any account information provided by Waveland and/or designated Sub-adviser(s). Custodial statements may vary from Waveland or Sub-adviser reports based on differences between accounting procedures, reporting dates, or valuation methods for certain securities. Clients with any questions about the information provided by the custodian or Waveland should contact us.

Reports prepared by Waveland for Family Office Services clients may vary, in accordance with the terms of each client's Family Office Services Engagement Letter.

**ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Waveland does not receive an economic benefit from any party who is not a client, for providing investment advice or other advisory services to its clients.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**



Waveland may enter into a written agreement with one or more unaffiliated third parties to provide client relations and marketing services, including the introduction of prospective advisory clients to the Firm. Such arrangements will be governed by a written agreement between parties. Waveland expects to follow a standard fee schedule, with such fees borne by the Firm rather than the client.

At the time of solicitation, solicited clients will be informed of Waveland's arrangement with the third party. Waveland will undertake due diligence to verify the third party's qualifications, regulatory standing, disciplinary history, and registration status.

At this time, Waveland has not entered into such arrangements.

## **ITEM 15: CUSTODY**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

Custody occurs when an adviser or related person directly or indirectly holds client funds or securities or has the ability to gain possession of them.

All client assets are maintained with qualified custodians such as banks or registered broker dealers. These statements are considered the official record of the client account and require careful review.

### Direct Debit of Fees

We have the authority to direct our clients' custodians to pay us our investment advisory fees directly from client accounts. As we described in the section above entitled "Review of Accounts," clients receive periodic account statements and trade confirmations directly from their broker and/or custodian of their assets. We and/or designated Sub-adviser(s) directly provide account statements and other reports to certain clients on a periodic basis. We urge our clients to carefully review the statements they receive and to compare the statements we or Sub-adviser(s) provide with the statements received directly from their broker or custodian.

### Standing Letters of Authorization

Waveland may also permit clients to put in place standing letters of authorization (SLOAs) on their accounts. These SLOAs allow clients to distribute funds via various methods (check, wire, etc.) to an established recipient. The SLOAs that are established are a mix of first party (same name on both accounts) and third party (to different account name than the delivering account) instructions. In instances where the SLOA is directed to a third party, Waveland is deemed to have custody. Waveland will review the details of the SLOAs and will determine those that fall within

the SEC's safe harbor of meeting seven specific conditions required to not be part of an annual surprise examination, namely not directed to Waveland or a related party. Waveland will put in place controls around the processing and monitoring of SLOA activity. Additionally, the accounts that are required to be part of the surprise examination due to the third-party SLOA are included in the scope of that annual requirement along with the other "custody" accounts.

### Trusteeships

Our employees occasionally serve as trustee (or co-trustee) of client trust accounts to which we provide advisory services. In cases where the trusteeship does not result from Waveland providing advisory services to the client (such as family relationships, or other relationships that pre-date the client's and employee's association with Waveland), the Firm does not claim custody over these client trusts (based on SEC guidance). On the other hand, in cases where the trusteeship results from Waveland providing advisory services to the client trust over time, Waveland may consider this to be "custody" of client trust assets, depending upon the specific terms of the trustee arrangement.

### Family Office Services

As described above in the section entitled, "Item 4. Investment Advisory Business," the Firm also provides "Family Office Services" to its clients.

When providing bill payment and bookkeeping services to Family Office clients, Waveland generally retains signature authority over designated client bank accounts. In these circumstances, the client and Waveland enter into a separate agreement which details the roles and responsibilities of both parties.

For those accounts maintained at a qualified custodian, the client receives monthly account statements directly from the custodian. Waveland employs policies and procedures governing the management of the designated accounts and Waveland typically provides clients with a quarterly performance report of all account activity. Waveland employees do not under any circumstances maintain client login credentials. Each Waveland employee with access to client custodial accounts is assigned his/her unique login credentials, conveying rights and authorities consistent with all governing custodial and advisory agreements.

To comply with custody rules, Waveland will engage an independent public accounting firm not affiliated in any way with Waveland to perform an annual surprise verification examination. The purpose of such an examination is to verify that the funds and securities held in accounts actually exist and are located at the applicable qualified custodian.

## **ITEM 16: INVESTMENT DISCRETION**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

### Investment Advisory Services

Waveland provides discretionary investment advisory services to its clients. Waveland is responsible for gathering information about client investment objectives and risk tolerance and making strategic investment decisions such as determining the investment strategy and broad asset allocation targets. Waveland retains the authority to designate one or more Sub-advisers to make day-to-day investment decisions in client accounts. The designated Sub-adviser(s) provides day-to-day portfolio management and trade execution services, which includes the discretion to select broker-dealers through whom securities are bought and sold, the securities to be bought and sold, negotiation of commission rates paid for securities transactions, and final prices at which securities are bought and sold (which generally include broker-dealer transaction costs).

### Investment Restrictions

Clients may impose certain limitations or restrictions on Waveland's exercise of its discretionary authority. However, Waveland reserves the right not to enter into an agreement with a prospective client, or to terminate an agreement with an existing client if the proposed limitation or restriction is likely in the Firm's opinion to impair its fiduciary duty to the client or is otherwise believed by Waveland to be administratively or practically not feasible. All such requests for limitations or restrictions must be provided by the client to Waveland, in writing, and will not be effective or implemented until formally accepted by Waveland.

Discretionary authority will only be authorized upon full disclosure and consent by the client. The granting of such authority will be conveyed to Waveland by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority.

### Family Office Services

The scope of Waveland's discretionary authority when providing Family Office Services is outlined in each client's Family Office Services Engagement Letter. With regard to oversight, recommendations, or reporting for assets not subject to the client's Investment Advisory Agreement with Waveland, Waveland does not retain discretionary authority to invest or trade such assets. The client retains sole discretion to implement any recommendations made by Waveland for assets outside the scope of its investment advisory service arrangement.

## **ITEM 17: VOTING CLIENT SECURITIES**

- A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

Unless otherwise agreed, clients generally authorize Waveland to vote proxies for securities held in client accounts. Waveland is authorized to engage a service provider to assist with

administrative functions related to voting client proxies. Waveland is further authorized and directed to instruct the client's custodian to forward promptly to Waveland copies of all proxies and shareholder communications relating to securities held in client accounts. Clients can obtain copies of Waveland's written proxy voting policies and procedures as well as information on how proxies were voted for its account by requesting such information from the Chief Compliance Officer at (847) 874-8210.

- B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

Waveland is not responsible to vote proxies if we have not received such proxies or related shareholder communications on a timely basis. If clients have questions with respect to a particular proxy solicitation, please contact the Chief Compliance Officer at (847) 874-8210.

Waveland will provide clients with any information that we receive with respect to class action lawsuits that may be applicable to clients. If applicable, Waveland will work with clients to prepare and submit any claim forms associated with class action lawsuits related to securities held in client accounts.

Corporate actions are events initiated by a corporation which impact shareholders, such as mergers, spin-offs, stock buybacks and splits. With regard to client account holdings subject to corporate actions (of a non-proxy nature), Waveland will take action on behalf of clients so long as we receive notice of such corporate actions from the clients' custodian.

#### **ITEM 18: FINANCIAL INFORMATION**

- A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Waveland does not require or solicit prepayment of advisory fees six months or more in advance.

- B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

Waveland has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

- C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

Waveland has not been the subject of a bankruptcy or insolvency proceedings.