



SCF Investment Advisors, Inc.

Form ADV Firm Brochure

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This Brochure provides information about the qualifications and business practices of SCF Investment Advisors, Inc. ("SCFIA"). If you have any questions about the contents of this Brochure, please contact us at 800-955-2517. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority. SCFIA is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about SCFIA is available on the SEC's website at www.advisorinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This section summarizes material changes to our Brochure since SCFIA's last annual update on March 31, 2022. For additional details, please see the item in this Brochure referred to in the summary below.

Item 4 – Advisory Business:

- Updated to include additional details regarding our advisory services we make available to clients.
- On or around April 2023, SCFIA will begin offering the Contour Platform. Summary of the program included as well as a reference to a new Contour Wrap Fee Program Brochure (also known as Form ADV Part 2A Appendix 1) included.

Item 5 – Fees and Compensation:

- Advisory accounts billed by SCFIA will be charged a maximum account Administrative Fee of \$50 per year on a monthly or quarterly basis for the utilization of SCFIA's technology platform ("Blue Diamond Connect Fee"). The Blue Diamond Connect Fee is negotiable between the IAR and SCFIA. This fee will be paid by Client or IAR as designated in the Advisory Services
- Updated to include additional information regarding general fees assessed to your account, compensation related to mutual funds and other investments, compensation earned for other investment products, a discussion of the difference between wrap fee and non-wrap fee accounts.

Item 7 – Types of Clients:

- Updated minimums for the Contour Wrap Fee Program.

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

- Includes a new section discussing various types of risk that could affect the value of your account.

Item 10 – Other Financial Industry Activities and Affiliations:

- Updated to include additional information concerning conflicts of interest we have as an affiliate of a broker dealer and an insurance agency and conflicts of interest with respect an IAR's outside business activities.

Item 12 – Brokerage Practices:

- Include substantial disclosures concerning our relationship with National Financial Services LLC (NFS), the compensation we receive because of this relationship, and conflicts of interest arising out of this relationship. Also, includes updates on our cash sweep program through NFS.

Item 14 – Client Referrals and Other Compensation:

- Updated to include additional information regarding how we compensate your IAR, including recruitment compensation and operational assistance as well as growth incentives and other benefits.
- Updated to include additional detail regarding compensation we receive from certain product sponsors.

Item 17 – Voting Client Securities:

- Included that in Contour, you authorize SMA Managers, Sub-Managers, or Envestnet, as applicable, in writing to exercise discretion in voting or otherwise acting on all matters for which a security holder vote, consent, election or similar action is solicited by, or with respect to, issuers of securities beneficially held as part of the Platform Assets in SMA or UMA accounts.

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ITEM 4 ADVISORY BUSINESS

SCF Investment Advisors, Inc. ("SCFIA," "we," or "us") was formed in 2003, is an Arizona corporation, and is a wholly owned subsidiary of SCF Holdings, Inc., a Delaware corporation. SCF Holdings, Inc. is wholly owned by AWS 9, Inc., a Delaware corporation, which is wholly owned by Atria Wealth Solutions, Inc., a Delaware corporation, which is in turn wholly owned by Atria Wealth Solutions Holdings LLC, a Delaware limited liability company, which is privately owned. SCFIA is registered as an investment adviser with the Securities and Exchange Commission. SCFIA is affiliated with SCF Securities, Inc. ("SCFS"), a registered securities broker-dealer and SCF Marketing, Inc. ("SCFM"), an insurance agency.

As of December 31, 2022, SCFIA had regulatory assets under management of \$1,771,389,008. Of that amount, \$173,679,929 was managed on a non-discretionary basis and \$1,597,709,079 was managed on a discretionary basis.

Our investment advisory services ("Advisory Services") are made available to clients through individuals associated with SCFIA as investment adviser representatives ("IARs"). Many IARs are dually licensed (i.e., they are licensed both as IARs and as registered representatives of SCFS and offer both investment advisory and brokerage services), which, in addition to Advisory Services, allows them to offer commission-based products. Your IAR will disclose to you whether he or she is dually licensed and if there are any limitations on services offered due to registrations and qualifications.

IARs are independent contractors of SCFIA. IARs and SCFIA offices often use marketing or business names other than SCFIA. The purpose of using a name other than SCFIA is for an IAR to create a brand that is specific to the IAR or office but separate from SCFIA. IARs who use names other than SCFIA must disclose on their advertising and correspondence materials that securities and advisory services are offered through SCFIA. IARs offer services individually to clients. Each client will work directly with an IAR. The IAR will assist the client in selecting the service appropriate for the client's personal situation.

SCFIA offers various types of services including, but not limited to, providing advisory services, financial planning and consulting services, and asset monitoring services. A description of the types of services offered are outlined below.

SCFIA offers advisory services to its clients in various programs through IARs. The IAR tailors advisory services to the individual needs of Clients. Clients may impose restrictions on investing in certain securities or types of securities. Restrictions may include various types of indices and/or specific bonds, stocks, funds, or alternative investments, etc. The goals and objectives for each Client are obtained by the IAR to assist in determining the appropriate program and are documented in our client relationship management system. IARs are responsible for gathering necessary financial information from the Client and recommending a product or service offered by SCFIA, described herein.

Please be advised that each IAR has an inherent fiduciary obligation to serve in the Client's best interest with respect to the financial advice and services rendered.

Advisory Services

An Advisory Services Agreement allows the Client to engage the IAR to act as their investment advisor to perform portfolio management and investment advisory services for the account covered by the agreement. In providing portfolio management and investment advisory services, IAR will rely on personal financial and investment profile information while rendering services. Client agrees to promptly notify IAR if/when this information changes. The scope of work and fee for portfolio management and investment advisory services is provided to the Client in writing prior to the start of the relationship.

Clients may choose to have the IAR manage their assets to obtain ongoing in-depth financial advice and planning. Many aspects of the Client's financial affairs are reviewed. Realistic and measurable goals are set and the objectives to pursue those goals are defined. As goals and objectives change over time, suggestions are made to the Client for acceptance and implementation on an ongoing basis.

Assets are invested in traded and/or non-traded securities and may also include no-load or low-load mutual funds, exchange-traded funds, equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, mutual funds shares), U.S. government securities, alternative investments, options contracts, and interests in partnerships. Investments may be purchased through SCFIA's affiliated broker-dealer, fund companies, insurance companies, or qualified custodians.

IAR will place trades through the qualified custodian. Qualified custodians utilized by the IAR include National Financial Services ("NFS"), Pershing Advisor Solutions ("PAS"), TD Ameritrade Institutional ("TDAI"), Schwab Advisor Services ("Schwab"), and Fidelity Institutional Wealth Services ("IWS"). Qualified custodians may include insurance companies, mutual funds, or other financial institutions.

The qualified custodian(s) will maintain physical custody of all funds and securities of the Account, and Client will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. (See Item 15 Custody below) Client's beneficial interest in a security does not represent an undivided interest in all the securities held by the qualified custodian(s), but rather represents a direct and beneficial interest in the securities which compose the client's account. At least quarterly, Client will receive an account statement from the qualified custodian of the Account detailing transactions in the Account. Any checks drawn on Client's account will be at the Client's instructions only. All transactions will be confirmed by receiving customary statements from Account's qualified custodian.

Contour Platform (Contour)

SCFIA sponsors the Contour Platform ("Contour"), a discretionary wrap fee investment advisory program that provides IARs access to tools to provide individualized investment management services. Contour is administered through an agreement with Envestnet Asset Management, Inc. ("Envestnet"), an investment adviser registered with the SEC. SCFIA has engaged Envestnet to provide various administrative services to Contour clients as described below. Custody of a client's Contour account assets is maintained by an unaffiliated custodian designated by the client after consultation with an IAR. Custodial options include NFS, IWS, and any other custodian we choose to make available (hereinafter referred to as "Custodian"). Each Custodian is responsible for execution and clearing of transactions, custody of assets, and delivery of statements and confirmations for Contour accounts. Neither Envestnet, NFS, nor IWS is affiliated with SCFIA.

Contour is comprised of four program options: (1) Advisor as Portfolio Manager ("APM"), (2) Fund Strategist Portfolios ("FSP"), (3) Separately Managed Accounts ("SMA"), and (4) Unified Managed Accounts ("UMA"). Your IAR will confer with you to determine your financial needs and objectives and gather your client profile and risk tolerance information to complete a Statement of Investment Selection ("SIS"). The information gathered from the risk tolerance questionnaire ("RTQ") or approved financial planning tool assists in determining the allocation of your assets into an asset allocation model fitting one of seven investment profiles: Capital Preservation, Conservative, Conservative Growth, Moderate, Moderate Growth, Growth, or Aggressive. Your IAR will obtain your written consent to change your investment profile risk tolerance. Your IAR will assist you in selecting one of the four program options listed above. Your IAR will create a proposal ("Proposal") including your investment profile questionnaire responses, selected program option(s), and applicable fees. You, your IAR, and SCFIA will enter into a Contour Platform Account Agreement ("Contour Agreement") outlining your participation in the Platform.

A client opening a Contour account will receive a copy of the Contour Wrap Fee Program Brochure or Form ADV Part 2A Appendix 1, which contains additional information concerning the Contour Platform, wrap fee programs in general, and a disclosure of fees payable by the client.

Co-Advisory Programs

SCFIA has entered into co-advisory relationships with AssetMark Inc. ("AssetMark"), Envestnet, SMArtX, and Axxcess Wealth Management. IARs may delegate certain investment advisory responsibilities or discretionary authority to co-advisors and their related program managers.

AssetMark Advisor Model Platform

IAR may offer advisory services to Clients by selecting the AssetMark Platform. For more information regarding the Assetmark Platform, refer to the AssetMark Platform Disclosure Brochure.

The minimum investment required on the AssetMark Platform depends upon the Investment Solution chosen for a Client's account and is generally \$25,000-\$50,000 for Mutual Fund and \$100,000 for ETF Accounts, and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

We also act as solicitors and refer clients to AssetMark. Please see the section "Asset Monitoring" below for additional details regarding the services we provide, and how we are compensated.

Financial Planning and Consulting Services

Financial planning and consulting services allow IARs to furnish recommendations as to the allocation of Client's present financial resources among different types of assets to correlate with the Client's financial planning objectives; and/or prepare a plan and/or provide consulting services.

Financial planning may include, but is not limited to, furnishing recommendations as to the allocation of present financial resources among different types of assets including investments, savings, and insurance with a view toward better correlating the assets with the Client's financial planning objectives. If Client engages IAR for financial planning services, IAR will prepare a financial plan to assist the Client in defining personal financial planning goals and objectives that may encompass areas of business and personal financial planning, education planning, retirement planning, disability protection, estate planning, tax planning, charitable giving, and investments, and to supply analyses and recommendations as to the actions and investment strategies necessary to pursue these goals and objectives.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of any recommendations is at the discretion of the Client. The Client is under no obligation to execute any investment transactions through the IAR or SCFIA.

The value and usefulness of the financial planning services will be dependent upon the information that the Client produces, the Client's active participation in the formulation of financial planning objectives, and the implementation of the plan to attain those objectives.

Consulting services may include, but are not limited to, the IAR assisting the Client with ongoing advice regarding the management of their financial resources based upon an analysis of Client's current situation, goals, and objectives. Areas of consulting include but are not limited to retirement planning, education planning, business planning, charitable giving, cash flow/budget analysis, divorce planning, life insurance review, disability insurance review, investment planning, estate planning, debt management, long term care insurance review, and asset monitoring services. Investment advice and recommendations may be implemented at the discretion of the Client.

Neither SCFIA nor its IARs provide legal or tax advice. Clients should consult with an appropriately licensed attorney or tax professional. Since financial planning is a discovery process, situations may occur wherein the Client is unaware of certain financial exposures or predicaments.

Asset Monitoring

We have entered into solicitation agreements with various third-party investment advisors that manage or sponsor various types of Turnkey Asset Management Programs (TAMP). Our IARs may solicit clients for such programs or services in which case we will not be providing investment advice or have discretionary authority over your assets with respect to individual security selection. The IAR provides asset monitoring services only with respect to TAMPs and all management agreements are entered into solely and directly with the third-party investment advisor. TAMPs are used to primarily assist with investment management of Client assets.

Asset monitoring services allow IAR to act as a solicitor to assist the Client in establishing one or more portfolio(s) with one or more third party money managers, for a percentage of the fee the Client will pay to the third-party money / portfolio manager(s); and/or monitor the performance of any portfolio established for the Client by the IAR or any other portfolio as designated by Client. SCFIA and its IAR generally will not have discretionary authority over Client assets with respect to individual security selection and will never have custody of the Client's investment capital. Discretionary authority will generally be given to the Portfolio Manager. A Qualified Custodian will maintain physical custody of all funds and securities in the Account, and Client will retain all rights of ownership of the Account. Client must promptly inform IAR in writing of any changes in the Client's investment objectives or circumstances.

Client with the guidance of the IAR will identify and match a Portfolio Manager to the personal and financial data provided by the Client. The final decision of Portfolio Manager selection is made solely by the Client. The Portfolio Manager will invest the Account(s) on a discretionary basis. IAR will not make any recommendations or provide individualized investment advice regarding specific investments or have any authority to make investments in the Accounts(s). Sub-Advisor(s) designated in the Portfolio Manager's respective application and agreement may invest and reinvest, on a discretionary basis without contacting Client for prior approval, securities and/or cash that the Client may, from time to time, deposit in the Account(s), and to act for the Client in all matters necessary or incidental to such investments. The Client is responsible for contacting IAR if Client wishes to replace the Portfolio Manager and/or Sub-Advisor(s).

IRA Rollover Considerations

If you decide to roll assets out of a retirement plan into a SCFIA advisory individual retirement account ("IRA"), SCFIA and your IAR have a financial incentive to recommend that you invest those assets in one of our programs, because SCFIA and your IAR will be paid on those assets, for example, through advisory fees. You should be aware that such fees likely will be higher than those you pay through your plan, and there can be custodial and other maintenance fees.

The following fiduciary acknowledgement applies only when our IAR (i) provides investment advice to participants in or the fiduciaries of ERISA-covered retirement plans and to owners of IRAs, and (ii) recommends to participants in ERISA-covered retirement plans or owners of IRAs to make a rollover to an IRA.

When we provide investment advice to you regarding your retirement plan account or IRA, we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Fiduciary status for this purpose does not necessarily mean we are acting as fiduciaries for purposes of other applicable laws. This acknowledgement of fiduciary status does not confer contractual rights or obligations on you, SCFIA, or your IAR.

ITEM 5 FEES AND COMPENSATION

This section provides information concerning fees and compensation for investment advisory services and programs available through SCFIA. Additional information regarding fees and compensation for the Contour Wrap Fee Program offered by SCFIA can be found in the Contour Wrap Fee Program Brochure.

SCFIA and our IARs are compensated for our services by charging an advisory fee. Advisory fees are typically calculated as a percentage of assets under management. Fees vary based on the type of advisory service provided to a client. The actual fee is disclosed prior to the client signing the agreement. The advisory fee is shared between your IAR and SCFIA. Although platform fees and third-party money manager fees are generally non-negotiable, your IAR can negotiate his or her advisory fee.

Advisory Services

Investment advisory and portfolio management fees are set at the onset of engagement. Fees are negotiated, and agreed to, on a schedule, which may be inclusive or exclusive of various transaction charges and other miscellaneous fees. There is no default fee schedule.

Investment advisory and portfolio management fees are deducted from Client's assets/ account balance.

Fees can be negotiated on a fixed or variable basis, and may be billed in advance or in arrears, on a monthly or quarterly basis, as negotiated by IAR and Client. Accounts billed in advance will be calculated based on the account's Period End Balance (i.e., the end of the month or quarter, as applicable), with adjustments for contributions and distributions; accounts billed in arrears will be based on the account's Average Daily Balance calculated during the billing period. Clients should be aware of the risks in paying fees in advance as they are paid prior to advisory services being fully rendered and are therefore unearned at the time they are paid by Client. Fees may not be rebated in the event of a termination of the advisory agreement if SCFIA is precluded from making the payment.

Any changes to the fee structure will be per written agreement between Client and IAR. Changes to the fee structure will be effective upon the next scheduled fee calculation period.

Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerage firms may charge a transaction fee for the purchase or sale of some securities and will charge account service fees.

Accounts will aggregate billable asset values at the household level. "Household" as used for this purpose, is defined by a unique household ID within SCFIA's billing system. Accounts using variable fee schedules will evaluate fee breakpoints at the aggregated household value. It is the IAR and Client's responsibility to ensure that household accounts are correctly identified. In order for SCFIA to identify which individuals and accounts comprise a household, a list of accounts within each qualifying household must be communicated to the IAR by the Client by completing an Advisory Services Agreement Schedule A and attaching it to the house holding request along with a copy of the applicable Advisory Services Agreement. Only spousal and dependent accounts qualify for house holding. In general, house holding will result in lower overall advisory fees paid by client when linear or tiered fees are selected. Therefore, it is in the Client's best interest to request house holding. If a combination of flat rate and variable fee schedules are used on different accounts in the same household ID, fee calculations will be based on the aggregate household value when determining fee percentages and pro-rated tier rates. When using variable fee schedules, it is recommended to use the same variable schedule for all billed accounts within the household. If household members are not provided to SCFIA, some accounts may be assigned to a separate Household ID in the billing system which will result in a higher tiered or linear fee calculation.

Investment advisory and portfolio management fees may be available at different and/or lower fees; all fees are negotiable.

If portfolio management is being provided by a third-party Portfolio Manager, please refer to the Portfolio Manager's documentation for their management fees, custodial fees, and any other additional disclosures.

SCFIA may also collect fees for third parties or certain technologies, such as Online Account Platforms, and pay those fees through invoice to the third party. Please refer to the third party's documentation for further information on fees that may be collected by SCFIA, and any other additional disclosures.

Payment in full is expected as per the terms of the agreement. To facilitate billing, fees are automatically deducted from the account by the qualified custodian per instructions from SCFIA. If insufficient cash is available to pay fees in full, IAR, at their discretion, may liquidate sufficient positions to cover any shortfalls. The Client consents in advance to direct debiting of their investment account through execution of the Advisory Services Agreement.

SCFIA will calculate the investment advisory fee at the beginning of each billing period. As described above, accounts billing in arrears will use Average Daily Balance ("ADB") as the fee calculation methodology. The system will multiply the Average Daily Balance ("ADB") of Client's Designated Assets during the previous billing period. The ADB is based upon an arithmetic average of daily closing account values for each day in the billing period. Accounts billed in advance will use Period Ending Value as the fee calculation methodology.

The system will look at the account's Designated Asset value as of the prior month or quarter end date for computing the billed value for the next advance-billed fee. In computing the value of the Designated Assets, SCFIA will rely upon the valuation data that is provided by the qualified custodian to SCFIA's third-party billing system provider. Some transaction types, such as trades pending settlement or post-dated dividends, will result in a different Period End Value in the billing system compared to what is shown on the custodial account statement.

For new accounts, the investment advisory fee for the first billing period will be pro-rated, beginning with the date in which the account is funded and/or transferred to SCFIA, and ending on the last day of the billing period. For new accounts billed in advance, the investment advisory fee will be calculated based on the inception value of the account. The pro-rated investment advisory fee for new accounts billed in advance will be calculated after the end of the month in which the account is funded. The next regularly recurring billing period (i.e., the first full month/quarter) will utilize the Period Ending Value methodology described in the previous paragraph. For new accounts billed in arrears, the first billing period will utilize the ADB methodology described above and will be calculated at the end of the first month/quarter in which the account was opened.

The billing system will calculate a prorated advisory fee adjustment based on account contributions or withdrawals ("cash flows") of \$10,000 or greater, for accounts billed in advance only. For example, a contribution will generate an additional advisory fee to be debited from the account, while a withdrawal will generate an advisory fee credit, or refund, to the account. Cash flow fee adjustments will not be calculated for accounts billed in arrears. The \$10,000 threshold will be aggregated as the sum of all cash inflows/outflows that are posted in an account within the same day. SCFIA will rely on third party technology providers as the basis for aggregating cash flow transaction data in Client accounts. Qualifying cash flow fee adjustments will be calculated at the end of the completed billing period in which the cash flow transaction occurred and may be labeled a "new money" fee and/or refund. For example, if a qualifying cash flow occurs in a month, then the fee adjustment for the cash flow will be calculated in conjunction with the following month advanced billing cycle if the account is billed monthly; if the account is billed quarterly, the fee adjustment for the cash flow would be billed in conjunction with the next quarter advanced billing cycle. SCFIA is not required to calculate cash flow fee adjustments in the middle of a billing cycle. If an account is partially or fully liquidated, but not formally closed at the custodian, then the liquidation may be treated as a cash flow adjustment rather than a closed account, which may also affect any advisory fee refund amount for an account. The calculation methodology for recurring monthly or quarterly fees will not be affected.

SCFIA permits advisory fee waivers on a case-by-case basis when appropriate and justified if a specific client or account merits a temporary waiver and the waiver is consistent with SCFIA's written procedures.

Advisory fees are charged to clients of SCFIA's various advisory platforms in exchange for account management, investment advice, consultation, and other advisory services offered under the platforms. Advisory fees are separate and distinct from fees and charges imposed on clients by custodians, brokers (including SCFS), third-party investment advisers, and other third parties, such as fees charged by managers, transaction fees, custodial maintenance fees, fees and taxes on brokerage accounts and securities transactions, and underlying mutual fund fees and expenses paid to mutual funds and other investment product companies. Some common transactions that include associated processing fees and charges include trading, transfers, distribution of funds, systematic investments and withdrawals, and mutual fund exchanges. Many different circumstances can cause fees and charges to vary account by account. Some of these circumstances include the type of security being traded and dollar amount and/or share quantity of the trade. Custodial fees vary between custodians and the type of account. For instance, some types of retirement accounts carry higher custodial maintenance fees than others.

The costs associated with an advisory account may be more than the costs associated with a traditional brokerage account arrangement where a client pays a commission for each transaction but does not receive ongoing advice, this is particularly true for clients that intend to have a low number of transactions or follow a buy-and-hold approach. If you intend to follow a buy-and-hold investment strategy or do not wish to receive ongoing investment advice or management services, you should consider opening a commission-based brokerage account rather than an advisory account.

In advisory accounts, a client is paying for ongoing investment advice from an IAR. An IAR recommending an advisory account to a client receives a portion of the advisory fee as a result of the client's participation in an advisory program. In some circumstances, this compensation will be more than what the IAR would receive if the client had a brokerage account through SCFS. If compensation would be more in recommending an advisory account than a brokerage account, an IAR has a financial incentive to recommend advisory programs or services over brokerage programs or services. Notwithstanding that conflict of interest, SCFIA and our IARs take their responsibility to clients seriously and will recommend an advisory program or service to a client only if it is reasonably believed to be in the client's best interest.

The amount of compensation an IAR can receive varies between advisory programs and services, therefore, an IAR has a financial incentive to recommend an advisory program or service that permits the IAR to charge higher compensation over another advisory program or service where the IAR's level of compensation is less. Recommendations for specific advisory programs or services are made based on an IAR's best judgment based on the information a client provides to the IAR.

In most circumstances, IARs are also registered representatives with SCFS and, as such, may act in a broker-dealer capacity. In such capacity, an IAR may sell securities through SCFS and receive normal and customary commissions as a result of purchases and sales as well as 12b-1 fees from mutual funds held in client accounts. If an IAR recommends that a client invest in a security, which results in a commission being paid to the IAR in his or her capacity as a registered representative, and then recommends the security be moved to an advisory account, this represents a conflict of interest. SCFIA conducts reviews of IAR commissions and advisory fees in an effort to ensure suitability for source of funds for new advisory deposits.

Contour Platform Fees

Contour is a wrap fee program where no transaction charges apply, and a single fee is paid for all advisory services and transactions. The fees for participation in Contour are based on an annual percentage of your platform assets. The total fee is comprised of three components: (a) a program fee, (b) an advisory fee, and (c) if applicable, a manager(s) fee. The manager fee applies in the FSP, SMA, and UMA programs, but no manager fee is included in the APM program.

The total fee is billed and collected monthly or quarterly in advance as noted on the SIS. For accounts billed quarterly, the total fee is calculated at the beginning of each calendar quarter based on the fair market value of your platform assets, including money market funds, interest, and reinvested dividends in the account, on the last business day of the prior calendar quarter. For accounts billed monthly, the Total Fee is calculated at the beginning of each month based on the fair market value of your platform assets, including money market funds, interest, and reinvested dividends in the account, on the last business day of the prior calendar month. The Custodian determines fair market value for fee calculation purposes.

Fees are automatically deducted from your account, or from another billable account as directed by you. The first payment is prorated based on the number of calendar days in the billing period. If you invest or withdraw \$10,000 or more in the account after the first day of a billing period, a prorated fee or rebate is calculated on each eligible deposit or withdrawal with adjustments applied the subsequent month. If an account is terminated prior to the end of a billing period, a pro rata portion of the total fee will be reimbursed to you. The fees deducted, including the dates and amounts, are reflected on the statements sent by Custodian. You should review those statements and the fees deducted. Any questions on the fees deducted from your account should be directed to your IAR, or you may contact us at the number on the cover page of this Brochure.

The advisory fee compensates your IAR for assisting in the design, implementation, and ongoing monitoring of your investment plan. The advisory fee is negotiated between you and your IAR but will not exceed 2.25% in APM and 2.00% in FSP, SMA and UMA, except that in connection with fees for annuity subaccount management in APM, the advisory fee will not exceed 1%. The fee charged depends upon a number of factors including the amount of the assets under management, the nature and extent of other account relationships between you and your IAR, the nature and complexity of the model portfolios, and other factors that the IAR deems relevant. The fee you negotiate may be different than the fees your IAR negotiates with other clients or the fees other IARs negotiate with other clients for similar services.

The program fee includes execution, clearing, custody, and SCFIA, Envestnet, and Custodian fees. The program fee is assessed in each of the program options and is non-negotiable.

Manager fees apply in the FSP, SMA, and UMA. The manager fee in the SMA and UMA varies by the selected SMA Manager, Sub-Manager, or Model Provider and ranges between 0.00% and 0.75% of your platform assets. In the UMA, if your account has more than one Model Provider or Sub-Manager, the effective Manager Fee will be a blend of all Model Providers' and/or Sub-Managers' fees weighted by the dollar amount invested in each Model Portfolio. SMA Managers or Model Providers who charge no, or a nominal fee are typically compensated by advisory fees from the proprietary funds the SMA Managers or Model Providers include in their models. In the FSP, the Manager Fee ranges from 0% to 0.50% depending on the portfolio selected. Manager Fees are non-negotiable.

An additional charge of up to 10 basis points (0.10%) will be added to your program fee if you elect certain tax management services, ESG or socially responsible screening, or other portfolio customization described in the SIS. This charge is paid to the investment manager or the "overlay manager" that applies the tax screening to your investments.

For complete fee details including account fee schedule guidelines, please see the Contour Wrap Fee Program Brochure.

Co-Advisory Programs

Fees and compensation are outlined in the co-advisor's disclosure brochure and related agreements executed at the time of account opening and/or co-advisor engagement. Co-advisor fees include platform fees, investment manager fees, and clearing/ custody fees. SCFIA's affiliate SCFS receives a portion of the clearing/ custody fees in the form of an override from clearing firm and custodian NFS. This is in addition to any fees or compensation SCFIA receives.

AssetMark Advisor Model Platform

Fees and compensation for using the AssetMark Platform, are provided in more detail in the AssetMark Platform Disclosure Brochure. Discretionary Manager Fee schedules are included in the Client Billing Authorization or the Appendix A to the Client Service Agreement.

The fees applicable to each Account on the AssetMark Platform may include:

1. Financial Advisor Fee,
2. Platform Fee; and
3. Investment Manager Fee.

Other fees for special services may also be charged. The Client should consider all applicable fees. SCFIA has no default fee schedule for the AssetMark Platform. SCFIAs fees are negotiated at the onset of the arrangement up to a maximum of 1.95%.

Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate AssetMark accounts at any time upon written notice and receive a full pro-rata refund of any unearned fees.

Financial Planning and Consulting Services

The financial plan fee is set at the onset of the engagement on a negotiated basis. There is no default fee schedule. The Client may elect to pay a negotiated hourly or fixed rate. Payment in full is expected upon invoice presentation. If the Client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided upon mutual agreement. The Client must approve the change(s) in the scope of services that will be provided, in advance of the additional work being performed when a fee change is necessary. After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-on implementation work is billed separately at a rate which is negotiable.

The consulting services fee is set at the onset of the engagement on a negotiated basis. There is no default fee schedule. The Client may elect to pay a negotiated hourly, fixed rate or recurring fee on a monthly or quarterly basis. Hourly fee rates shall not exceed \$400 per hour. Recurring fees can be agreed upon for consulting services only. Payment in full is expected

upon invoice presentation.

However, the Client may elect to pay a portion of the negotiated fee upon execution of the client agreement and/or upon delivery of the written financial plan, or a combination of first payment or subsequent payment(s).

Clients that pay Financial Planning and Consulting fees by check should make it payable to SCF Investment Advisors, Inc.

Asset Monitoring

Asset Monitoring fees paid to IAR may be charged as part of a negotiated fee. These fees may be subject to negotiation depending upon a range of factors including, but not limited to, account size, overall range of services provided, and geographical location.

Asset monitoring fees are set at the onset of the engagement, are negotiable, and are deducted from Client's assets. SCFIA has no default fee schedule. TAMP will deduct fees from Client accounts based on a solicitor defined fee schedule.

Any changes to the fee structure will be per written agreement.

Fees may be collected either monthly or quarterly. Fees will be collected by the third-party portfolio manager who will distribute the negotiated fees above to SCFIA. Please refer to documentation completed for selected Portfolio Manager for their fees, custodian fee, and any other additional disclosures.

SCFIA may also collect fees for third parties or certain technologies, such as Online Account Platforms, and pay those fees through invoice to the third party. Please refer to the third party's documentation for further information on fees that may be collected by SCFIA, and any other additional disclosures.

Additional fees may be imposed by the third-party holding Client's assets for accounts that are held away from SCFIA.

Clients who utilize Managed Portfolios through various Turnkey Asset Management Programs ("TAMP") of third-party investment advisors pay advisory fees to those advisors. Third-party investment advisors, in turn, pay SCFIA monthly or quarterly fees equal to a percentage of the total net asset value that is invested on their platform in one of their strategies. Clients should review Form ADV 2A of the third - party investment advisors who provide TAMP programs for information on the investment strategies used and the fees charged by the manager for such investment strategy.

Other Fees and Expenses

Custodians charge transaction fees on purchases or sales of certain securities such as but not limited to mutual funds, exchange traded funds and equities. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is typically more important than the nominal fee that the custodian charges to buy or sell the security.

Clients incur certain charges imposed by third parties other than the IAR in connection with investments made through the custodian including, but not limited to: sales loads, 12b-1 fees, and surrender charges. IRAs and qualified retirement plans may be subject to additional fees and charges imposed by the qualified custodian(s) of the Account. Management fees charged by the IAR are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Client. A description of these fees and expenses are available in each investment's prospectus. You are charged for specific account services, such as account transfer fees, electronic fund and wire transfer charges, checking fees, paper statements and confirmations, and for other optional services elected by you on a per event basis. These fees are subject to the pricing schedule set by a Custodian and SCFS and/or SCFIA. SCFS receives a portion of certain of these fees for accounts in custody with NFS, including where SCFS marks up the fee charged by NFS, which can be substantial. Please review Item 12 – Brokerage Practices of this Brochure for additional information.

SCFS's receipt of custodial fees, including where SCFS marks up a fee, creates a conflict of interest for SCFS and SCFIA because the fees constitute additional revenue to SCFS and/or us, and the amount can be substantial. To mitigate this conflict, neither SCFS nor us share custodial fee revenues with your IAR, and we do not require or incentivize IARs to recommend advisory programs be custodied with any custodian. Brokerage and other transaction costs and certain administrative fees incurred in Contour accounts are included in the wrap fee.

SCFIA's affiliate broker-dealer SCFS receives mutual fund 12b-1 fees for accounts opened and cleared through NFS. The receipt of 12b-1 fees creates an actual conflict of interest when NFS is recommended or used as the qualified custodian and clearing firm for a client's account and when higher 12b-1 fee share classes are recommended to clients over lower, non 12b-1 fee paying share class options of the same mutual fund that are available. Clients should be aware that different share classes of the same mutual fund represent the same underlying investments and that in general, the only differences between share classes of the same mutual fund are internal fees and expenses. The additional fees and expenses associated with 12b-1 paying mutual fund share classes will reduce any investment returns client may experience over time. There is almost always a non 12b-1 fee paying share class option available for any mutual fund that may be recommended to Client. Client will incur lower overall expenses when non 12b-1 paying mutual fund share classes are purchased in place of the same fund's 12b-1 paying share class. To mitigate this conflict, SCFIA has policies and procedures in place to ensure that neither SCFIA nor its affiliate SCFS receive 12b-1 revenue related to NFS advisory accounts by using a fee rebate tool

made available by NFS. Any 12b-1 revenue generated by holdings in a client's account will be automatically rebated to the account. This rebate tool applies to NFS accounts only. Other custodians available through SCFIA such as PAS, TDAI, IWS, and Schwab retain any 12b-1 and service fees generated by client mutual fund holdings.

With the exception of Contour, transaction charges are billed directly to SCFIA and passed through to the IAR, or billed directly to the client depending on the specifics of the client and/or advisory agreement. Transaction charges are assessed by the qualified custodian for the Account and IAR will not receive any portion of such fees. Qualified custodian charges will vary from custodian to custodian. Client should thoroughly review and understand the nature and amount of fees and/or ticket charges outlined in qualified custodian's account documentation.

SCFS receives markups on ticket charges for transactions executed through its clearing firm, NFS, related to advisory business. The markup offsets other clearing costs and expenses that are not directly passed through to clients such as but not limited to confirmations and prospectuses. SCFS also receives markups on account transfer fees and account inactivity fees as applicable.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. These fees are in addition to the stated standard or negotiated advisory fees.

The IAR on the account is responsible for determining the rate to charge each Client based on factors such as total amount of assets involved in the relationship, type of program, any base rate charged for the selected advisory account program, and complexity and mix of the portfolio.

Advisory accounts billed by SCFIA will be charged a maximum account Administrative Fee of \$50 per year on a monthly or quarterly basis for the utilization of SCFIA's technology platform ("Blue Diamond Connect Fee"). The Blue Diamond Connect Fee is negotiable between the IAR and SCFIA. This fee will be paid by Client or IAR as designated in the Advisory Services Agreement ("ASA"). The debit on Client's next monthly account statement is Client's notification of the exact amount that was debited. This Blue Diamond Connect Fee is in addition to the other stated standard or negotiated advisory fees referenced in the ASA. When the IAR pays for the Blue Diamond Connect Fee and has negotiated a reduced rate, it won't reduce the amount the Client pays for the other stated standard or negotiated advisory fees, however the IAR's compensation will be increased.

Financial planning agreements that are billed on a recurring basis will be billed by SCFIA. An account Administrative Fee of \$30 per year charged on a quarterly basis for the utilization of SCFIA's technology platform.

When appropriate, IARs may make recommendations of insurance products and may also, as appropriately licensed independent insurance agents, sell those recommended insurance products to advisory clients through SCFIA's affiliate broker-dealer SCFS or affiliate insurance agency SCFM. When such recommendations or sales are made, a conflict of interest exists as the IAR and SCFIA's affiliates will earn insurance commissions, overrides, and/or advisory fees for the sale and servicing of the insurance products. SCFIA requires its IARs to disclose that advisory clients may purchase recommended insurance products from other insurance agents and companies not affiliated with SCFIA.

Compensation Related to Mutual Funds and Other Investments

Your IAR, when acting in his/her separate capacity as a SCFS registered representative (i.e., as a broker) earns commissions, including asset-based fees and sales charges, from the sale of mutual funds, annuities, ETFs, and other securities. This results in a conflict of interest because SCFIA and our IARs have an incentive to recommend investment products based on the compensation received rather than on a client's needs. You are under no obligation to purchase investment products through SCFS, SCFIA or your IAR and you have the option to purchase the products we recommend through other financial services firms that are not affiliated with us.

After considering your overall needs and objectives along with your preferences, your IAR can recommend that you convert from a commission-based account to a fee-based advisory account. We maintain policies and procedures to ensure a conversion from a commission-based account to fee-based advisory account is in your best interest. Among other things, we employ the following policies:

- When Class A, B, or C shares of mutual funds are transferred into an advisory account, additional mutual fund purchases within the advisory account will be made at net asset value (NAV) or in advisor or institutional share classes, which do not include 12b-1 fees. Such purchases will not result in your payment of a commission in addition to the annual advisory fee.
- SCFIA will attempt to convert Class A, B, and C share mutual fund holdings in an advisory account to advisor or institutional class shares where available. In the event a tax-free conversion is unavailable or does not occur, 12b-1 fees received in fee-based accounts will be credited to your account.
- Your IAR can agree, upon your written request and for your convenience, to hold certain assets in your Contour account such as previously acquired concentrated positions in a stock or bond that you wish to hold for an unspecified period of time. Such assets are unmanaged, unmonitored, and are excluded from billing.
- Your IAR can agree, at your request, to hold certain assets in an advisory account such as previously acquired concentrated positions in a stock or bond, that you wish to liquidate over a period of time or hold to maturity. Such

assets are being monitored but are excluded from billing.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, B, and C shares), mutual funds can also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount thresholds or is enrolled in an eligible fee-based investment advisory program. Institutional share classes usually have a lower expense ratio than other share classes. SCFIA and our IARs have a financial incentive to recommend or select share classes that have higher expense ratios because such share classes generally result in higher compensation. SCFIA seeks to minimize this conflict of interest, by providing our IARs with training and guidance on this issue, as well as by conducting periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of mutual fund share class selections and whether alternative mutual fund share class selections are available that might be more appropriate given a client's particular investment objectives and any other appropriate considerations relevant to mutual fund share class selection. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

The appropriateness of a particular mutual fund share class selection is dependent upon a number of considerations, including: the asset-based advisory fee that is charged, whether transaction charges are applied to the purchase or sale of mutual funds, the overall cost structure of the advisory program, operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the mutual fund sponsors and SCFIA's ability to access particular share classes through the custodian), share class eligibility requirements, and the revenue sharing, distribution fees, shareholder servicing fees, or other compensation associated with offering a particular class of shares.

Further information regarding fees and charges assessed by a mutual fund is available in the mutual fund prospectus.

Wrap Fee Program versus Non-Wrap Fee Program

We offer advisory services through both wrap fee (such as Contour) and non-wrap fee programs.

Wrap Fee Programs

A wrap fee program is defined as an advisory program in which a client pays a single, specified fee for portfolio management services and trade execution. We receive a portion of the investment advisory fee you pay when you participate in any of the wrap fee programs we offer. Wrap fee programs are not suitable for all investments needs and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon. The benefit of a wrap fee program depends, in part, upon the size of an account, the types of securities in the account, and the expected size and number of transactions likely to be generated. Generally, wrap fee accounts are less expensive for actively traded accounts. For accounts with little or no trading activity, a wrap fee program may not be suitable because the wrap fee could be higher than fees in a traditional brokerage or non-wrap fee advisory account where you pay a fee for advisory services plus a commission or transaction charges for each transaction in the account. You should evaluate the total cost for a wrap fee account against the cost of participating in another program or account.

Non-Wrap Fee Programs

Wrap fee programs differ from other programs in that the fee structure for wrap programs is all-inclusive, whereas non-wrap fee programs assess trade execution costs that are in addition to the investment advisory fees. There are two separate types of fees. We charge an investment advisory fee for our advisory services and another fee ("ticket charge") is charged for each transaction (purchase, sale, or exchange) for accounts held at NFS. SCFIA has a conflict of interest in offering non-wrap accounts custodied through NFS due to the receipt of additional transaction-based ticket charge revenue received by SCFS in its capacity as a broker-dealer.

SCFIA maintains policies and procedures to ensure the recommendation of a specific account type is in your best interest. There is no guarantee that the Advisory Services offered will result in your goals and objectives being met. Nor is there any guarantee of profit or protection from loss. No assumption can be made that an advisory fee arrangement or portfolio management service of any nature will provide a better return than other investment vehicles. Advisory programs are not suitable for all investment needs, and any decision to participate in a wrap fee or non-wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. You should evaluate the total cost for participating in a particular advisory program in consultation with your IAR.

Termination of Agreement

Agreement(s) remain in effect from the date the Agreement is signed until canceled by either party. Either party, or its authorized representative, may terminate their Agreement upon notice to the other party. SCFIA will cease all billing and advisory services upon notice from client requesting termination of their Agreement. SCFIA will process termination requests within ten (10) business days of receiving in good order. In the circumstance of Client's death, SCFIA will terminate billing as of the date of death.

SCFIA reserves the right to refuse to accept or renew any Agreement and may terminate it at any time in its sole discretion

and for any reason. IAR reserves the right to stop work on any account that is past due.

The agreement will not automatically terminate in the event that SCFIA or its IAR receive written notice of Client's disability or legal incompetence. SCFIA and its IAR shall be entitled to rely, and shall rely, upon this agreement to provide the authority to continue to provide portfolio management and investment advisory services through an authorized individual to act on the Client's behalf.

In the event that SCFIA or its IAR receive written notice of Client's death, or all of Client's authorized representatives in the case of an Entity Client, this Agreement will be terminated immediately, and the account will be frozen. Fees will be calculated and prorated as of the date of death. In extenuating circumstances, exceptions may be granted.

Upon termination of this agreement for any reason, including those listed above, the pro rata share of any pre-paid fees will be refunded if billed in advance, or debited if billed in arrears. If account is closed or transferred before the final fee can be billed, then SCFIA may invoice Client directly or debit the fee from the newly established account provided it is a similar registration to collect any unpaid fees Client owes to SCFIA. SCFIA reserves this right regardless of any difference in the new account's Agreement or lack of Agreement entirely. Similar registrations include same account type (IRA to IRA, Non-qualified to non-qualified, etc.) as well as same account titling and/or account stakeholders.

SCFIA and IAR reserve the right to terminate any financial planning and consulting engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in IAR's judgment, to provide proper financial advice. Any unused portion of fees collected in advance will be refunded.

Asset Monitoring agreement may be terminated by the Client, TAMP or IAR by providing 10 day written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the billing period completed. The prorated fee computation will be based on the calculation methodology chosen by the client and will be adjusted for the number of days during the billing period up to the date of termination.

In the event IAR is terminated from SCFIA for any reason but Client's Advisory Services Agreement(s) with SCFIA is not terminated, a pro-rated final fee may be computed and collected or refunded based on the IAR's termination date.

At termination, fees will be billed on a pro rata basis for the portion of the billing period completed. The prorated fee computation will be based on the calculation methodology chosen by the client and will be adjusted for the number of days during the billing period up to the date of termination.

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

SCFIA does not participate in performance-based fees and side-by-side management.

ITEM 7 TYPES OF CLIENTS

SCFIA generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and corporations or business entities. Client relationships vary in scope and length of service.

SCFIA's minimum account size is \$10,000.00, although a higher minimum account size may be applicable based on the advisory program selected. SCFIA has the discretion to waive the account minimum. Accounts of less than \$10,000.00 may be set up when the Client and the IAR anticipate the Client will add additional funds to the accounts bringing the total to \$10,000.00 within a reasonable time. Other exceptions may apply to lower valued accounts househanded with existing accounts and to employees of SCFIA and their relatives.

Clients who utilize TAMP relationships and/ or third-party investment advisors should review each manager's Form ADV disclosure regarding minimum account size and other requirements.

The initial minimum account size for the Contour programs is listed below.

<u>Contour Program</u>	<u>Minimum</u>
Advisor as Portfolio Manager	\$25,000
Fund Strategist Portfolios	As low as \$2,000
Separately Managed Accounts	\$100,000
Unified Managed Accounts	\$100,000

The initial Contour account minimum can, however, be waived at SCFIA's discretion, considering various factors. Such factors include length of client relationship, or combined values of other household/family member accounts. In the SMA program, should the SMA Manager require a higher minimum, the higher minimum will apply. In the UMA program, the minimum account size for each model style is determined by the Model Provider or Sub- Manager.

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

The IAR has access to various research reports and model portfolios to which IAR may refer in determining investment advice provided to Clients. The IAR chooses his or her own research methods, investment style and management philosophy. Security analysis methods may include among other things, charting, fundamental analysis, technical analysis, and cyclical analysis. Sources of information may also include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable and that there is a risk of loss that clients should be prepared to bear, including loss of principal.

In advising retail clients of IAR investing in AssetMark Advisor Model Platform, IAR may select from mutual funds, Exchange Traded Funds (ETF's), and other investment solutions offered on the Platform. These solutions are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists, including AssetMark.

IAR also introduces clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios using a variety of different securities analysis methods, sources of information and investment strategies. Clients will receive a separate disclosure brochure from these investment managers regarding their investment advisory services.

With respect to clients investing in the AssetMark Advisor Model Platform, IAR introduces clients to, and advises on the selection of, independent investment managers who provide discretionary management of individual portfolios including a wide variety of security types. Clients will receive a separate disclosure from such investment managers regarding any such investment manager's advisory services.

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time. Strategies may include long-term purchases, short-term purchases, trading, speculation, margin transactions, and options transactions.

An IAR may use the above methods of analysis and investment strategies to design a client portfolio to satisfy the following:

Investment Objectives:

- Capital Preservation: Seeks to maintain principal, with a primary interest in investments that have a low risk of loss of principal.
- Income: Seeks to generate income from investments, with an interest in investments that have a history of income payments to investors, and a low risk of loss of principal.
- Total Return: Seeks to generate a total return from investments consistent with investment goals and risk tolerance. Willing to invest in securities accordingly, combining both capital appreciation and current income objectives.
- Growth: Seeks to grow principal over time. Willing to invest in securities with moderate historical loss of principal.
- Aggressive Growth: Seeks to grow principal over time. Willing to invest in securities with moderate to above-average historical risk of loss of principal.
- Tax Efficiency: Seeks to invest in tax efficient securities and/or employ a tax efficient investment strategy in an effort and attempt to minimize tax liabilities resulting from investment.

Risk Tolerance:

- Conservative: Values protecting principal over seeking appreciation. Comfortable accepting lower returns for a higher degree of liquidity and/or stability. Attempts to minimize risk and loss of principal.
- Moderately Conservative: Values principal protection, but is comfortable accepting a small degree of risk and volatility to seek some degree of appreciation. Desires greater liquidity, and is willing to accept lower returns and minimal loss. Balanced: Values reducing risks and enhancing returns equally. Willing to accept modest risks to seek higher long-term returns. Willing to endure short-term loss of principal and lower degree of liquidity in exchange for potential long-term appreciation.
- Growth: Values higher long-term returns and is willing to accept considerable/ significant risk. Believes that higher long-term returns are more important than protecting principal. Willing to endure large losses in favor of potentially higher long-term returns. Liquidity may not be a concern.
- Aggressive: Values maximizing returns and is willing to accept substantial risk, up to and including complete loss of principal. Willing to endure extensive volatility and significant losses in pursuit of long-term appreciation. Liquidity is generally not a concern.

Investing involves risk, including possible loss of principal. No strategy assures success or protects against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does

not protect against market risk. Asset Allocation does not ensure a profit or protect against loss. Past performance is no guarantee of future results. Frequent trading can impact investment performance and involve additional transaction costs and taxes. It is suggested that specific tax issues are discussed with a qualified advisor.

The aforementioned risks also apply to TAMPs. However, please be advised to review the TAMP account opening documentation for any specific risks associated with a particular TAMP.

Investing in any type of security involves risk of loss that you should be prepared to bear. SCFIA does not guarantee the performance of an account or any specific level of performance.

Market values of the securities in an account will fluctuate with market conditions. When an account is liquidated, it may be worth more or less than the amount invested.

There is no guarantee that a client's investment goals or objectives will be achieved. All securities are subject to some level of risk which could cause the value of your securities to decrease in value, and in some cases, could result in a loss of your entire investment. The following are some types of risk that could affect the value of your portfolio:

Each IAR's approach to investment management is unique to that IAR, it is not possible to specify the types of risk of each IAR's investment management approach. Risks may include, but are not limited to:

- **Market risk:** The risk that changes in the overall market will have an adverse effect on individual securities, regardless of the issuer's circumstances.
- **Business risk:** Whether because of management or unfortunate circumstances, some businesses will inevitably fail. This is especially true during economic recessions. For example, a company stock can become worthless in the event of a bankruptcy, which would result in a loss of capital to the shareholders.
- **Interest rate risk:** If the Federal Reserve pushes interest rates higher, the market prices of bonds can be affected. When interest rates rise, the market price of bonds typically falls.
- **Inflation risk:** Inflation reduces the buying power of a dollar, and could cause uncertainty among individual investors, possibly resulting in corporations backing away from projects which could further reduce the value of corporate equities.
- **Regulatory risk:** Legislative, regulatory, and/or judicial changes that impact businesses can drastically change entire industries.
- **Industry/company risk:** These risks are associated with a particular industry or a specific company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, which is a lengthy process before they can generate a profit. They carry a higher risk of fluctuations in profitability than an electric company, which generates its income from a steady stream of clients who buy electricity no matter what the economic environment is like.
- **Liquidity risk:** Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.
- **Opportunity risk:** You or your IAR may choose a conservative product to invest in, which could cause you to miss out on market upswings which potentially could have increased the value of securities with higher risk. The opposite is also true; market downturns can cause you to lose a significant amount of principal invested in higher risk securities when their funds could have been invested in lower risk securities.
- **Reinvestment risk:** There is a possibility that you will be unable to make additional purchases of a security already in your portfolio at the same rate at which the original purchase was made.
- **Currency or exchange rate risk:** Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which will cause the value of your portfolio to fluctuate.
- **Transactional cost risk:** You could incur significant transactional charges in an unbundled, actively traded account. Frequent trading can decrease the value of your account due to increased brokerage and transaction costs. In addition, the frequent trading can cause taxable events to occur, which could increase your tax burden.
- **Short sale risk:** While a short position has unlimited capability to increase in value, it in turn increases your risk, as you can be required to purchase the security at a high rate or price in order to cover the short sale.
- **Exchange-Traded Funds:** ETFs face market trading risks, including the potential lack of an active market for fund shares, losses from trading in the secondary markets, and disruption in the creation and redemption process of the ETF. Any of these factors can lead to liquidity risk and/or the fund's shares trading at a premium or discount to its "net asset value."
- **Leveraged and inverse ETFs:** ETFs that offer leverage or that are designed to perform inversely to the index or benchmark they track—or both—are growing in number and popularity. While such products may be useful in some sophisticated trading strategies, they are highly complex financial instruments that are typically designed

to achieve their stated objectives on a daily basis. Due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. Therefore, inverse and leveraged ETFs that are reset daily typically are unsuitable for clients who plan to hold them for longer than one trading session, particularly in volatile markets.

- **Interval Funds:** Interval funds provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that a client will be able to sell all their shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.
- **Environmental, Social, and Governance (“ESG”) strategies:** The implementation of ESG strategies could cause an account to perform differently compared to accounts that do not use such strategies. The criteria related to certain ESG strategies can result in an account foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities to comply with ESG guidelines when it might be otherwise disadvantageous to do so. In addition, an increased focus on ESG or sustainability investing in recent years may have led to increased valuations of certain issuers with higher ESG profiles. A reversal of that trend could result in losses with respect to investments in such issuers. There can be no assurance that an ESG strategy directly correlates with a client’s ESG goals, and ESG data is not available with respect to all issuers, sectors or industries and is often based upon estimates, comparisons or projections that may prove to be incorrect. As a result, a client account with ESG guidelines could nonetheless be invested in issuers that are inconsistent with the client’s ESG goals.
- **Structured Products:** A structured product is an unsecured obligation of an issuer with a return, generally paid at maturity, that is linked to the performance of an underlying asset, such as a security, basket of securities, an index, a commodity, a debt issuance or a foreign currency. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. A structured product may contain a call feature that can result in the investment being redeemed earlier than the stated maturity date. If a structured product is called prior to maturity, the payment you receive will depend upon the stated terms of the investment. If a structured product is called, you may not be able to reinvest the proceeds in a similar investment with similar risk and return characteristics.
- **Money Market Mutual Funds:** While money market mutual funds seek to preserve a net asset value of \$1.00, during periods of severe market stress, a money market mutual fund could fail to preserve a net asset value of \$1.00 and/or could no longer be a viable business for the fund sponsor, which would force the sponsor to liquidate. It is possible to lose money by investing in a money market mutual fund.
- **Credit risk:** The risk that an issuer of a fixed income security may fail to pay interest and/or principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of the security to decline. These risks are greater for securities that are rated below investment grade (junk bonds), which may be considered speculative and are more volatile than investment grade securities.
- **Options:** Holding options for long-term periods could weaken and/or reduce the value of the underlying stock or create the possibility of a worthless position.
- **Global risk:** International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets are not as politically and economically stable as the United States and other nations.
- **Cybersecurity risk:** SCFIA relies on the use and operation of different computer hardware, software, and online systems. The following risks are inherent in such programs and are enhanced for online systems: unauthorized access to or corruption, deletion, theft, or misuse of confidential data relating to SCFIA and its clients; and compromises or failures of systems, networks, devices, or applications used by SCFIA or its vendors to support its operations.

All investments in mutual funds, exchange traded funds, stocks, bonds, options, and other securities including the use of margin entail risk, involve potential loss of principal. Some investment decisions made by your IAR may result in profits and others in losses. SCFIA and your IAR do not and cannot guarantee that your investment objectives will be realized. You should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

The aforementioned risks also apply to TAMPs. However, please be advised to review the TAMP account opening documentation for any specific risks associated with a particular TAMP.

ITEM 9 DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of SCFIA or the integrity of SCFIA's management.

On August 13, 2020, SCFIA entered into a settlement ("Order") with the Securities and Exchange Commission ("SEC"). Without admitting or denying the findings, SCFIA consented to the findings that, as a result of the conduct described below, SCFIA violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or indirectly, to "engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client," and Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which require a registered investment adviser to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder.

The Order finds that the violations resulted from the following conduct of SCFIA: 1) Breaches of fiduciary duties by SCFIA in connection with its mutual fund share class selection practices and receipt of compensation pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("12b-1 fees") and revenue sharing agreements. 2) Violated its duty to seek best execution for such transactions. 3) Failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices. 4) Although eligible to do so, did not self-report to the SEC pursuant to the Division of Enforcement's Share Class Selection Disclosure Initiative.

The Order requires SCFIA to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder; censures SCFIA; and requires SCFIA to pay disgorgement of \$544,446.34 and prejudgment interest of \$22,746.63 to compensate advisory clients who were affected by certain conduct detailed in the Order. Lastly, SCFIA will pay a civil monetary penalty in the amount of \$200,000.

SCFIA or IAR information is available on the SEC's website at www.advisorinfo.sec.gov or www.finra.org/brokercheck. SCFIA's CRD number is 123608.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SCFIA is affiliated with SCF Securities, Inc. ("SCFS"), a registered securities broker-dealer and SCF Marketing, Inc. ("SCFM"), an insurance agency. Clients may wish to purchase securities and/or insurance products through the affiliated firms. However, no advisory Client is in any way obligated to purchase any recommended products or to purchase them through the affiliated firms.

SCFIA is an indirect wholly owned subsidiary of Atria Wealth Solutions, Inc. (Atria), a privately-owned company. SCFIA has the following affiliates.

Cadaret Grant & Co., Inc.	Broker Dealer, Registered Investment Adviser, and Insurance Agency
Cadaret, Grant Agency	Insurance Agency
CFS Insurance and Technology Services, LLC	Insurance Agency
CUSO Financial Services, LP	Broker Dealer & Registered Investment Adviser
NEXT Financial Group, Inc.	Broker Dealer, Registered Investment Adviser, and Insurance Agency
NEXT Financial Insurance Services Company (NFISCO)	Insurance Agency
Ovest Insurance Services LLC	Insurance Agency
SCF Marketing, Inc.	Insurance Agency
SCF Securities, Inc.	Broker Dealer
Sorrento Pacific Financial, LLC	Broker Dealer, Registered Investment Adviser, and Insurance Agency
Western International Securities, Inc.	Broker Dealer, Registered Investment Adviser, and Insurance Agency

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

Conflicts of Interest with Broker-Dealer Affiliate

SCFIA is under common ownership with SCFS. SCFS introduces brokerage accounts on a fully disclosed basis to NFS. Most of our IARs are registered with SCFS as a registered representative, which allows them to perform brokerage services for you by executing

securities transactions. In their capacity as registered representatives, IARs offer securities and receive commissions as a result of such transactions. There is a conflict of interest when an IAR is able to choose between offering a client fee-based programs and services (as is typical of an advisory relationship) and/or commission-based products and services (as is typical of a brokerage relationship). There is a difference in how SCFIA and/or SCFS and your IAR are compensated for advisory accounts and brokerage accounts or insurance products. While a client pays a fee to their IAR on an advisory account based on the value of account assets and not the number of transactions, in their capacities as registered representatives, an IAR can offer securities and receive a commission, markup, or markdown on each transaction. To mitigate this conflict, we review our client accounts and transactions to ensure that we have a reasonable basis to believe the recommended services and transactions are consistent with a client's stated goals, objectives, preferences, and needs.

SCFS's registration as a broker-dealer is material to our advisory business because advisory accounts are custodied with NFS, a third-party custodian, where SCFS (our affiliate) acts in its capacity as an introducing broker-dealer. This results in additional forms of compensation to SCFS which are discussed in this brochure. See Brokerage Practices – NFS Clearing Relationship, and Client Referrals and Other Compensation – Indirect Compensation and Revenue Sharing.

Many of our IARs are also licensed insurance agents appointed with various insurance companies. An IAR can be contracted and appointed as an independent insurance agent or as an insurance agent with SCFM. Acting in the capacity of an insurance agent, IARs can sell annuities and insurance products to advisory clients and earn commissions for these transactions.

Clients are under no obligation to purchase products or services recommended by an IAR or through an IAR or otherwise through SCFIA or its affiliates. Clients are free to implement recommendations through any broker-dealer or advisory firm. If you request that an IAR recommend a broker-dealer, the IAR will recommend SCFS; however, you are under no obligation to effect transactions through us.

An IAR's Outside Business Activities

Our IARs are independent contractors and can engage in certain approved outside business activities other than providing brokerage and advisory services through SCFS and SCFIA, and in certain cases, an IAR receives more compensation, benefits, and non-cash compensation through an outside business activity than through SCFIA. Some of our IARs are accountants, real estate agents, insurance agents, tax preparers, or lawyers, and some refer clients to other service providers and receive referral fees. As an example, an IAR could provide advisory or financial planning services through an unaffiliated investment advisory firm, sell insurance through a separate business, or provide third-party administration to retirement plans through a separate firm. If an IAR provides investment services to a retirement plan as our representative and also provides administration services to the plan through a separate firm, this typically means the IAR is compensated from the plan for the two services. In addition, an IAR can sell insurance through an insurance agency not affiliated with SCFIA. In those circumstances, the IAR is subject to the policies and procedures of the third-party insurance agency related to the sale of insurance products and would have different conflicts of interest than when acting on behalf of SCFIA. When an IAR receives compensation, benefits, and non-cash compensation through the third-party insurance agency, the IAR has an incentive to recommend you purchase insurance products away from SCFIA. If you contract with an IAR for services separate or away from SCFIA, you should discuss with them any questions you have about the compensation they receive from the engagement. Additional information about a IAR's outside business activities is available on FINRA's website at brokercheck.finra.org.

Conflicts of Interest with Affiliated Insurance Agency

SCFIA is affiliated with SCFM, a licensed insurance agency. An IAR can offer through SCFM or through an independent insurance agency. When acting in the capacity of an insurance agent, IARs can effect transactions in insurance products for clients and earn commissions for these activities.

The fees paid to SCFIA for advisory services are separate and distinct from the insurance commissions earned by SCFM and/or its insurance agents. You are under no obligation to use SCFM or its insurance agents for insurance services and can use the insurance firm and agent of your choosing.

Turnkey Asset Management Programs

IAR's may act as a solicitor for various TAMPs to employ their investment management services. In these scenarios, the IAR will receive solicitor compensation from the TAMP when assets are placed in their management. Solicitor compensation varies from one TAMP to another based on the services being provided. Since solicitor compensation varies, this may present a conflict of interest. Please be advised that IARs have an inherent fiduciary obligation to serve the Client's best interest. The amount of such compensation may be more than what the IAR would be paid if the Client participated in different advisory programs or paid separately for investment advice, brokerage, and other services. To the extent this occurs there may be a financial incentive to recommend the wrap fee program over other programs or services.

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

SCFIA expects its employees and IARs to maintain high standards of ethical and business conduct. SCFIA is dedicated to supporting an ethical culture. Because of the high importance that SCFIA places on ethical conduct, SCFIA has adopted a Code of Ethics that all IARs and other supervised persons of SCFIA are expected to adhere to. This Code of Ethics reflects SCFIA and its IARs' fiduciary obligations and requires, among other things, compliance with applicable federal and other securities laws. SCFIA's Code of Ethics also establishes standards for its IARs' personal securities transactions and prohibits the use of material non-public information. A copy of SCFIA's complete Code of Ethics may be obtained from your IAR upon request by Clients or prospective Clients.

SCFIA does not act as a principal in any fee-based account for which it is also an investment advisor. SCFIA is not a market maker in any security, nor does SCFIA carry positions in securities for resale. SCFIA does not hold any client funds or securities.

SCFIA or IARs may invest in securities identical to those recommended to clients for their personal accounts but may do so only after trades have been placed for Clients. In addition, any related person(s) may have a pre-existing interest or position in securities that may be recommended to a client. It is the expressed policy of SCFIA that IARs and other associated persons may not purchase or sell any security for their own account immediately prior to a transaction being implemented in the same or related security for an advisory account.

SCFIA or IARs may buy or sell securities identical to those recommended to clients for their personal accounts but may do so only after trades have been placed for Clients. In addition, any related person(s) may have a pre-existing interest or position in securities that may be recommended to a client. It is the expressed policy of SCFIA that IARs and other associated persons may not purchase or sell any security for their own account immediately prior to a transaction being implemented in the same or related security for an advisory account.

SCFIA, its IARs, or its affiliates receive, directly or indirectly, payments including 12b-1 fees, incentives, gifts, or other compensation in conjunction with the implementation of investment advice given to clients. Disclosure is required for such compensation received by SCFIA, its IAR's, control persons or affiliates, related to client purchases and the payment of referral fees as the payments constitute a conflict of interest when investment recommendation are made to clients where a lower cost non 12b-1 fee paying share class of the same investment class is available but not recommended. As previously mentioned, SCFIA mitigates conflicts related to 12b-1 fees by rebating the fee back to the client account. However, we cannot guarantee that any transaction effected will result in the lowest overall cost or 12b-1 fee.

The Firm and its affiliates will not be responsible for reviewing existing account holdings and positions that are transferred or deposited from other financial institutions to determine if a lower cost share class alternative of the same investment is available to the client following the transfer. The Firm makes no guarantee that any transaction effected will result in the lowest overall cost or 12b-1 fee.

When appropriate, IARs may recommend an illiquid or limited liquidity product to clients. These are commonly known and referred to as "alternative investments" and may include Real Estate Investment Trusts, Business Development Companies, Hedge Funds, Private Equity Funds, Partnerships, Interval Funds, and non-traded preferred stocks. Product fees and liquidity provisions will be detailed in the product's prospectus or offering documents. Because advisory accounts are typically subject to ongoing investment advisory or management fees, the cost of owning illiquid assets in an advisory account may be greater than if the same asset were purchased on a commission basis in a non-advisory account. Additionally, SCFIA, SCFS, and IAR may receive more overall compensation in certain instances.

ITEM 12 BROKERAGE PRACTICES

IARs custodian recommendations are made to Clients based on their need for such services. SCFIA and IARs do not require the use of any particular broker-dealer to serve as qualified custodian. SCFIA's services are considered "open architecture". However, pursuant to its fully disclosed clearing agreement with NFS, SCFS receives additional compensation in the form of 12b-1 fees, and revenue sharing payments based on overall transaction volumes including ticket charges and balances in cash sweep vehicles. SCFS also receives clearing and execution discounts from NFS when predetermined monthly trade volume thresholds are reached. The terms of these payments to SCFS also apply to SCFIA advisory business placed with NFS and present a conflict of interest when lower cost share classes are available to the client. A conflict of interest exists to the extent advisory accounts are opened and transactions are effected through SCFS and NFS opposed to other broker-dealer and qualified custodian relationships that are available that do not compensate or otherwise make these types of payments to any SCF related entity. To mitigate this conflict, SCFIA rebates 12b-1 fees it or SCFS receives in connection with advisory business.

Occasionally, and from time to time, trade errors may be made in Client accounts. This could happen for various reasons ranging from clerical errors in entering the order, to miscommunications between SCFIA, IAR, or Client. Client shall be responsible for any losses, correction costs, or fees related to trade error corrections where the trade error was the fault of the Client. SCFIA and IAR shall be responsible for any corrections cost, fees, or related costs where the trade error was the fault of SCFIA or its IAR. Clients should be aware that any investment gains related to a trade error for accounts in custody with and cleared through SCFIA's affiliate broker-dealer SCFS' fully disclosed clearing agreement with NFS will be retained by SCFS.

In certain instances, clients may be able to negotiate more favorable margin interest rates with the custodian/ clearing firm based on but not limited to factors such as the client's account balance and margin balance. It is the responsibility of the client to negotiate a more favorable rate if desired with the custodian/ clearing firm through client's IAR. The decision to grant a more favorable rate is at the sole discretion of the custodian/ clearing firm.

An IAR has a fiduciary duty to seek "best execution" for Client securities transactions if it is in a position to direct brokerage transactions. To fulfill this duty, IARs must seek to execute securities transactions for Clients in such a manner that the Client's total cost or proceeds in each transaction is the most favorable under the circumstances. IARs should periodically and systematically evaluate whether brokers are providing best execution for Clients considering available alternatives. When conducting a best execution analysis, IARs should consider each relevant broker's commission rate, execution capability, available research, financial responsibility, responsiveness and value-added tools.

Qualified custodians utilized by the IAR include NFS, PAS, TDAI, Schwab, and IWS. Qualified custodians may include insurance companies, mutual funds, or other financial institutions.

SCFIA is independently owned and operated, and neither SCFIA, SCFS, nor SCFM are affiliated with any of the above Qualified custodians.

The qualified custodian(s) will maintain physical custody of all funds and securities of the Account, and Client will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Client's beneficial interest in a security does not represent an undivided interest in all the securities held by the qualified custodian(s), but rather represents a direct and beneficial interest in the securities which compose the Account. At least quarterly, Client will receive an account statement from the qualified custodian of the Account detailing transactions in the Account. Any checks drawn on Client's account will be at Client's instructions only. All transactions will be confirmed by receiving customary statements from Client's custodian broker-dealer.

Qualified custodian will hold Client assets in a brokerage account and buy and sell securities when IAR or Client instruct them to. While IAR recommends that you use a qualified custodian to custody assets, Client will decide whether to do so and open an account with that Qualified custodian by entering into an account agreement directly with them. SCFIA and IAR do not open the account for Client. If Client does not wish to place assets with the recommended Qualified custodian then IAR cannot manage the account.

Even though Client account is maintained at a Qualified Custodian, SCFIA and IAR can still use other brokers to execute trades for Client account.

Client accounts maintained at a Qualified custodian will be charged additional fees from that custodian. Qualified custodians are compensated by charging Clients commissions or other fees on trades that it executes or that settling into Client accounts. For some accounts, the Qualified custodian may charge Client a percentage of the dollar amount of assets in the account in lieu of commissions. The commission rates and asset-based fees applicable to Client accounts are typically negotiated based on Client commitment to maintain a certain level of assets with that Qualified custodian. This commitment benefits Client because the overall commission rates and asset-based fees Client will pay are lower than they would be if SCFIA or IAR had not made the commitment.

In addition to commissions or asset-based fees, the Qualified custodian charges Client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that SCFIA or IAR have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into Client account. These fees are in addition to the commissions or other compensation Client pays the executing broker-dealer. Because of this, to minimize Client trading costs, IAR will execute most trades for your account at the Qualified custodian.

Qualified custodians provide SCFIA, IARs and Clients with access to institutional brokerage, trading, custody, reporting and related services which may not typically be available to retail customers. Qualified custodians also make available various support services. Some of those services help SCFIA and IAR to manage or administer Client accounts while other help SCFIA and IARs manage and grow their business.

Qualified custodians include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

SCFIA does not receive research or any other products or services, other than execution and custody services from a broker-dealer in connection with Client securities transactions ("soft dollar benefits"). SCFIA does not consider, in selecting or recommending broker- dealers, whether SCFIA or a related person of SCFIA receives Client referrals from a broker-dealer or third party.

Product sponsors (such as: mutual fund companies; insurance companies and direct investment companies, etc.) and custodians which are recommended to Clients may provide various types of support to SCFIA and its IARs. Such support includes, but is not limited to: research, educational information, financial support for due diligence meetings and Client events. The receipt of this type of support may present a conflict of interest. Please be advised that IARs have an inherent fiduciary obligation to serve the Client's best interest.

SCFIA, IARs or related persons do not receive Client referrals when selecting or recommending a broker-dealer or third party.

SCFIA does not recommend, request, require or permit that a client direct SCFIA to execute transactions through a specific broker- dealer.

Because our IARs generally manage Client account(s) independently of other accounts based on each Client's specific needs and objectives, transactions for Client accounts are often executed independently. IARs may aggregate transactions in equity and fixed income securities for a client with other Clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. For partially filled orders, the IAR generally will allocate trades pro-rata or on a random basis to treat Clients fairly and not favor one Client over another. IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of Client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If IARs do not aggregate orders, some Clients purchasing securities around the same time may receive a less favorable price than other Clients. This means that this practice of not aggregating may cost Clients more money. Please ask your IAR if you would like more information on the IAR's practices in this respect.

In Contour, SMA Managers, Sub-Managers, or Envestnet, as Overlay Manager, can elect to execute trades at broker-dealers other than Custodian for some or all of their transactions or investment styles. This is frequently referred to as "trading away" or "step out trades". Clients who select such managers will be subject to any transaction charges or other charges, including commissions, mark-ups, mark-downs, or other additional trading costs that are imposed by the executing broker-dealer in addition to the total fee and the other fees described in the applicable wrap fee brochure. The Form ADV Part 2A for the applicable manager should be consulted for additional information.

Certain Contour accounts are managed based on model portfolio strategies. One or more clients can have the same model portfolio, based on their investment objective and risk profile. We typically aggregate orders into block trades when models are rebalanced or if one or more securities are added or removed from a model. Transactions can, however, be executed independent of transactions for other clients. An IAR must reasonably believe that a block order is consistent with SCFIA's duty to seek best execution and will benefit each client participating in the aggregated order.

NFS Clearing Relationship

NFS is the clearing firm for, our affiliate broker-dealer, SCFS's brokerage business and is also a custodial option for SCFIA's advisory accounts.

NFS charges SCFS for certain account services for accounts custodied with NFS (including advisory accounts), including clearing and executing transactions, outgoing transfers, wired funds, direct registration of securities, paper statements and confirms, margin extensions, ticket charges, and IRA custodial maintenance and termination. SCFS sets its own price for its services, which are designed to cover its costs of doing business (including overhead and other costs) as well as provide for a profit to SCFS. SCFS charges clients more for certain services than it pays NFS, which is sometimes called a "markup," and the markups vary by product and the type of service and can be substantial. SCFS keeps the difference between the fees and charges our clients pay and the amount paid to NFS to cover the costs associated with processing transactions and providing other services.

The economic arrangements between SCFS and NFS (including the fees charged by NFS) can be renegotiated and change from time to time, including in circumstances where SCFS realizes net savings or increased profits from the changed arrangements and SCFS does pass on any net savings or increased profits in the form of reduced fees and charges to clients. This practice creates a conflict of interest for us since we have a financial incentive to recommend NFS since we receive substantial compensation for the services we provide. IARs do not receive a portion of these fees.

SCFS's clearing relationship with NFS provides us with certain economic benefits and compensation by using SCFS as the broker-dealer for our advisory programs that would not be received if we used an unaffiliated, third-party broker-dealer for our advisory programs. For example, we add a markup to certain other brokerage-related account charges and fees that are assessed to all client accounts at NFS. The additional compensation we receive creates a significant conflict of interest with our clients because we have a substantial economic incentive to use NFS as the clearing firm for trade execution and custody over other firms that do not share compensation with us. The revenue and compensation we receive from NFS is related to both advisory and brokerage accounts custodied on the NFS platform. Our IARs do not receive any portion of this compensation.

For assets in the Contour program, SCFS pays a recurring fee to NFS based on a percentage of the aggregate assets invested by advisory clients, excluding certain investments, such as alternative investments. When the assets in the Contour program custodied at NFS increase, the fee we pay decreases. This creates a conflict of interest for SCFIA as we have an incentive to recommend advisory clients use NFS as a custodian over other custodians and to recommend that you increase the amount you have invested in your Contour account.

NFS pays or shares with SCFS the following items:

- For accounts in custody with NFS with cash balances automatically transferred (swept) into the Bank Deposit Sweep Program (BDSP) or Bank Deposit Sweep Program FDIC Eligible (SPFEQ), a portion of the fees paid by each participating bank receiving swept funds (each a "Program Bank") equal to a percentage of the average daily deposits at the Program Banks. The combined fee paid to SCFS and NFS will not exceed more than a maximum of the Federal Funds Target Rate plus 0.25% as determined by the total deposit balances at all of the Program Banks over a 12-month rolling period. SCFS sets the amount of the fee it charges and retains, which may exceed the amount of interest paid to clients;
- For IRA accounts in custody with NFS with cash balances automatically transferred (swept) into the Insured Sweep

Program (ISP), a level monthly fee for each IRA that participates in the ISP program. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate published by the Federal Reserve System as detailed in the NFS Sweep Program Disclosure Document and SCFS Sweep Program General Terms and Conditions at scfsecurities.com/disclosures. The per account monthly fee will be no less than \$0.25 and no more than \$43.25. It is generally anticipated that the fee SCFS charges will be offset by the total amounts paid to SCFS by Program Banks. If SCFS does not receive sufficient payments each month from Program Banks, SCFS reserves the right to debit each IRA account for the amount of any shortfall;

- For brokerage accounts in custody with NFS that have not been converted to either the Bank Deposit Sweep Program (BDSP), Bank Deposit Sweep Program FDIC Eligible (SPFEQ), or Insured Sweep Program (ISP), a portion of the revenue NFS receives from uninvested client cash balances in such accounts automatically swept into money market funds and FDIC insured bank deposit products of up to 0.50% of the value of cash balances. These payments vary based on the bank deposit account or money market fund a client has selected;
- For brokerage accounts in custody with NFS where a client has elected to opt out of the automatic sweep programs described above, interest and income revenue on free credit balances. For ERISA advisory accounts where SCFS receives revenue, it donates the revenue to charity;
- Transition assistance in the form of (a) reimbursement of IRA termination fees of up to \$125 per account for a retirement account transferred to NFS and up to \$95 per retail account for retail accounts transferred to NFS, or (b) a payment based on the value of assets transitioned, or (c) some combination of fee reimbursements and a payment based on the value of assets transitioned;
- A growth assistance credit to support, service, and grow brokerage assets on the NFS platform.
- A portion of certain brokerage account services and custodial fees charged to client accounts that exceeds the amount that we are required to pay NFS for such services, including account transfer fees, IRA custodial and termination fees, paper confirm and statement fees, inactive (custodial) account fees, retirement account maintenance fees, and margin interest and/or fees; and
- A portion of shareholder servicing fees from certain mutual fund sponsors as part of their no transaction fee mutual fund program.

NFS offers our affiliate broker-dealer SCFS access to its No Transaction Fee Program ("NTF Program"). As part of the NTF Program, NFS waives transaction fees it and SCFS would otherwise charge for purchases of certain mutual funds available on its platform. NFS shares certain revenues it receives from these NTF Program mutual funds with SCFS based on aggregate client balances invested in mutual funds subject to the NTF Program. The level of revenue sharing increases as client balances in the NTF program funds increases. These revenue sharing payments create a financial incentive for SCFIA to favor and recommend mutual funds in the NTF Program over other investments when providing investment advice to clients which creates a conflict of interest. Mutual funds in the NTF Program generally contain higher internal fees and expenses than other share classes of the same mutual fund that is not part of the NTF Program.

Margin Accounts

Account custodians will charge interest to Client for Client's use of margin. For accounts using margin that are held and cleared through NFS, NFS will credit SCFIA's affiliate broker-dealer SCFS with 100% of margin interest Clients pay in excess of NFS' base lending rate plus 50 basis points. Clients will be charged on their margin debits as defined in NFS' Customer Disclosure of Credit Terms on Transactions. SCFIA does not offset Client advisory fees by this additional compensation received by its affiliate SCFS. SCFIA manages this conflict by not requiring or recommending the use of any particular custodian for accounts.

Securities Lending

We offer NFS's Fully Paid Securities Lending program, which enables qualified clients to lend fully paid - for securities to NFS. NFS earns revenue from lending these securities and a portion of that revenue is shared with you, SCFS and your IAR. SCFS and your IAR share in 43% of the revenue received. The receipt of this extra compensation creates a conflict in certain advisory programs in which your IAR acts as the portfolio manager. The conflict surrounds whether this extra compensation would cause your IAR to hold a security in your account that would have otherwise been liquidated but not for receipt of additional compensation. This conflict is mitigated by our requirement that investment decisions made by your IAR must be in your best interest, as well as the fact that if an account holds these positions, your IAR's compensation will increase nominally, but the security will also generate income for your account. Not all accounts or clients qualify for this program.

AssetMark Advisor Model Program

IAR assists the client in selecting the risk/return objective and Portfolio Strategists that best suit the client's objectives. The client then specifically directs the account to be invested in accordance with the chosen investment solution. When the client selects the investment solutions, the client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Portfolio Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without further authorization by the client or any other party at such time as the Portfolio Strategist changes the composition of the selected model asset allocation.

The client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time. The IAR has no authority to cause any purchase or sale of securities in any client account, or change the selected model asset allocation or to direct the account to be invested in any manner other than as previously authorized by the client.

If a client selects an IMA, UMA or CMA investment solution, the third-party Discretionary Managers are granted the authority to manage the accounts on a discretionary basis, including the authority to buy, sell, select, remove and select securities and other investments for the account, and to select broker-dealers or others through which transactions will be effected.

Cash Sweep Options

All advisory accounts have a cash deposit sweep vehicle ("Vehicle") which is used to hold uninvested cash balances. SCFIA's affiliate SCFS, through NFS, offers a cash sweep program to automatically move (sweep) uninvested cash balances held in brokerage accounts into either an interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit account through an insured bank deposit program or a money market mutual fund, depending on the account type. Generally, each account is eligible for a single sweep product chosen specifically for that account type. The primary core account investment vehicle available to accountholders: (a) for available cash balances held in retail brokerage accounts (including IRAs) and investment advisory accounts (non-retirement) is the Bank Deposit Sweep Program ("BDSP"); (b) for cash balances held in advisory individual retirement accounts ("Advisory IRA") is the Insured Sweep Program ("ISP"); (c) for cash balances held in business advisory or brokerage accounts is the Bank Deposit Sweep Program FDIC Eligible ("SPFEQ"); and (d) for cash balances held in ERISA Title I accounts is the Fidelity Government Cash Reserve ("FDRXX") money market mutual fund.

For deposit accounts in the BDSP and SPFEQ programs, SCFS and NFS receive a fee from each participating bank receiving swept funds (each a "Program Bank") equal to a percentage of the average daily deposits at the Program Banks. Amounts vary, but in no event will the total fees be more than a maximum of the Federal Funds Target Rate plus 0.25% as determined by the total deposit balances at all of the program banks over a 12-month rolling period. SCFS has discretion to reduce all or a portion of its fee and reserves the right to modify the fees it receives from Program Banks.

SCFS receives a level monthly fee for each Advisory IRA that participates in the ISP. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate published by the Federal Reserve System. The per account monthly fee will be no less than \$0.25 and no more than \$43.25. It is generally anticipated that the fee we charge will be offset by the total amounts paid to us by the Program Banks. If SCFS does not receive sufficient payments each month from the Program Banks, we reserve the right to debit your Advisory IRA account for the amount of any shortfall.

Your deposits at each Program Bank are limited to \$246,500, or \$493,000 for a joint account (98.5% of the deposit insurance limit). Once this amount is reached at each Program Bank, any additional cash will be deposited in an Excess Deposit Bank. If cash deposits in all the Program Banks and the Excess Deposit Bank reach the maximum amount of FDIC insurance coverage of \$2.5 million for an individual account or \$5 million for joint accounts, any balance that cannot be placed or maintained at Program Banks will be swept into a Fidelity money market mutual fund and will not be covered by FDIC insurance.

For additional information on the BDSP, SPFEQ, and ISP programs, please see the disclosure statement and terms and conditions booklets available on scfsecurities.com/disclosures.

The FDRXX money market mutual fund is eligible for protection by the Securities Investor Protection Corporation ("SIPC"). SIPC does not protect against the rise and fall in the value of investments.

You may elect to turn off (i.e., opt out of) the automatic sweep feature by contacting your IAR. If you opt out, any cash balances in your account will remain as free credit balances and will not earn interest or be eligible for FDIC insurance but will remain eligible for SIPC coverage if maintained for the purpose of purchasing securities.

Depending on interest rates and other market factors, the yields on the BDSP, SPFEQ, and ISP will be higher or lower than the aggregate fees received by SCFS for your participation in the sweep programs. When yields are lower, this results in a negative overall return with respect to cash balances in a sweep program. Interest rates applicable to BDSP, SPFEQ, and ISP are often lower than the interest rates available if you were to make deposits directly with a bank or other depository institution outside of NFS's brokerage platform or invest in a money market mutual fund or other cash equivalent.

SCFS receives more revenue when cash is swept into BDSP, SPFEQ, and ISP than if your cash was invested in other products, including money market mutual funds. Therefore, SCFIA and SCFS have an incentive to place and maintain your assets in the BDSP, SPFEQ, and ISP programs to earn more income, which creates a conflict of interest. A further conflict of interest arises as a result of the financial incentive for SCFIA and SCFS to recommend and offer the BDSP and SPFEQ due to SCFS's control of certain functions. SCFS sets the amount of the fee it receives for the BDSP and SPFEQ, which generates additional compensation for SCFS. The compensation SCFS receives for BDSP, SPFEQ, and ISP is in addition to any remuneration SCFS, SCFIA and your IAR receive in connection with other transactions executed within your account for which advisory fees or other charges apply. We mitigate these types of conflicts by ensuring that your IAR does not receive any compensation from these sweep payments, and by maintaining policies and procedures to ensure that any recommendations made to you are in your best interest. You should compare the terms, interest rates, required minimum amounts, and other features of the sweep program with other types of accounts and investments for cash. The sweep products have limited purpose and are not meant as a long-term investment or a cash alternative.

The BDSP, SPFEQ, and ISP programs are available only to clients of broker-dealers such as SCFS that clear through NFS. NFS is wholly owned by Fidelity Global Brokerage Group, Inc. and is affiliated with Leader Bank, N.A., which participates as a Program Bank in BDSP, SPFEQ, and ISP, and Fidelity Management & Research Company LLC, the investment manager of the Fidelity money market mutual fund made available to accounts not eligible for BDSP, SPFEQ, or ISP.

ITEM 13 REVIEW OF ACCOUNTS

Financial planning agreements may terminate upon delivery of the plan. However, Clients are encouraged to update their financial plans annually with their IAR. Such annual reviews are conducted at the election of the Client and a new agreement for services between SCFIA, the Client and the IAR will be required. The review may consist of a new personal financial plan if the Client's circumstances and/or goals have changed (updated financial plan). Alternatively, the review may be a comparison of the Client's current assets and goals as stated in the personal financial plan (progress report). SCFIA compliance department supervisors review all submitted financial plans for completeness and accuracy based on the specific planning needs of the Client. If Client engages in an ongoing consulting services agreement with an IAR, periodic reviews of the services being provided will be conducted.

For advisory services, IARs review Client accounts on an ongoing basis to provide management services. IARs review monthly or quarterly accounts statements provided by the custodian. In addition, SCFIA reviews accounts using risk-based criteria such as performance, trading activity, and concentration. SCFIA compliance department supervisors review a sample of accounts on at least a quarterly basis.

For asset monitoring services, IARs review the TAMP on an ongoing basis and meet with Clients to review such items as account statements, quarterly performance reports, and other information or data related to the Client's account and investment objective. The TAMP sponsor or custodian of the TAMP account assets send Clients regular written reports and statements regarding the account. Asset Monitoring for accounts that are held away the IAR will review on an ongoing basis and meet with Clients to review such items as account statements, quarterly performance reports, and other information or data related to the Client's account and investment objective.

SCFIA or IAR may review Client account on other than a periodic basis due to factors such as material market, economic or political events, changes in financial or personal situation, performance of the account in general or Client inquiry. Additionally, compliance department supervisors may periodically review accounts to identify situations that may call for a more detailed review or specific action to be taken on the account.

Custodian and/or TAMP written account reports and statements include, but not limited to, performance, transactions, balances and any other content that the custodian and/or TAMP constitute as relevant to the account. These written account reports and statements are provided monthly and/or at least quarterly to Client.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

As discussed below and elsewhere in this Brochure, SCFIA and/or SCFS receives compensation, which can be substantial, from various parties in connection with providing services to clients. In many instances, this compensation is in addition to any advisory fees that clients pay and is not passed on or credited to clients unless otherwise noted. When evaluating the reasonability of SCFIA's fees, a client should not consider just the advisory fees SCFIA charges, but also the other compensation SCFIA and/or SCFS receives.

As further described in Item 12 – Brokerage Practices, SCFS receives compensation from NFS in various forms, including: transition assistance, growth assistance credits, markups to transaction and account activity fees, margin interest, revenue from cash sweep programs, credit interest, and volume discounts on trading costs based on the number of trades processed on the NFS platform.

IAR Compensation

Your IAR receives compensation from SCFIA. SCFIA compensates our IARs pursuant to an independent contractor agreement, and not as an employee. This compensation includes a portion of the advisory fee, which may be more or less than what your IAR would receive at another advisory firm. An IAR who earns over a threshold amount is eligible for a percentage payout increase, which is not retroactive. In addition, we offer financial incentives, in the form of cash bonuses or compensatory loans, to reward IARs for increasing their assets under management or annual revenue. Certain IARs are employed by another financial professional who pays them a salary or bonus for their services. When compensation is based on the level of production or assets, an IAR has a financial incentive to meet those production or asset levels.

In some cases, we pay a portion of a IAR's compensation to the IAR's designated supervisor or another financial professional for supervision and/or administrative or sales support. There is a conflict of interest because the compensation affects the designated supervisor's ability to provide objective supervision of the IAR. SCFIA and our designated supervisors have an obligation to supervise IARs and may decide to terminate an IAR's association with SCFIA based on performance, a disciplinary event, or other factors. The amount of revenue generated by an IAR creates a conflict of interest when considering whether to terminate an IAR.

Other Benefits

IARs that meet internal criteria (which includes, but is not limited to, revenue generated from sales of products and services) are eligible to receive other benefits pursuant to special incentive programs. These benefits present a conflict of interest because an IAR has an incentive to recommend investment products and services in general and to remain with SCFIA to maintain these benefits. These benefits include eligibility for practice management support and enhanced service support levels that confer a variety of benefits, conferences (e.g., for education, networking, training, and personal and professional development), and other non-cash compensation. These benefits also include free or reduced cost marketing materials, reimbursement or credits of fees that IARs pay to SCFIA for items such as administrative services or technology, and payments that can be in the form of repayable or compensatory loans (e.g., for retention purposes or to assist an IAR grow his or her advisory practice). If we make a loan to a new or current IAR, there is also a conflict of interest because SCFIA's interest in collecting on the loan affects our ability to objectively supervise the IAR.

Recruitment Compensation and Operational Assistance

When an IAR associates with SCFIA after working with another financial services firm, the IAR can receive recruitment compensation from SCFIA in connection with the transition. This transition assistance includes payments that are intended to assist an IAR with costs associated with the transition; however, we do not verify that any payments made are used for transition costs. These payments can be in the form of repayable or compensatory loans, and are subject to favorable interest rate terms, as compared to other lenders. In the case of compensatory loans, the loans are subject to repayment if an IAR leaves SCFIA before a certain period of time or if other conditions are not met and can include a requirement to maintain a certain level or revenue or assets serviced. Funds advanced by SCFIA to an IAR under a compensatory loan are not taxable to the IAR when received but represent taxable income as the principal and interest is forgiven by SCFIA or the IAR is paid additional compensation to cover the principal and interest on the note.

Transition assistance payments can be used for a variety of purposes such as providing working capital to assist in funding an IAR's business, offsetting account transfer fees payable to the custodian as a result of the clients transitioning to SCFIA's platforms, technology set-up fees, marketing, mailing and stationery costs, registration and licensing fees, moving and office space expenses, staffing support, and termination fees associated with moving accounts.

The amount of recruitment compensation is often significant in relation to the overall revenue earned or compensation received by an IAR at his or her prior firm. Such recruitment compensation is typically based on a percentage of the IAR's business established at their prior firm, for example, a percentage of the revenue earned, or assets serviced at the prior firm, or on the size of the assets that transition to SCFIA.

Growth Incentives

SCFIA provides financial incentives to reward IARs for increasing their assets under management or annual production by specific amounts in the form of cash bonuses or compensatory loans that are subject to repayment if an IAR leaves SCFIA before a certain period of time or if other conditions are not met and can include a requirement to maintain a certain level or production or assets under management.

Conflicts of Interest

Providing compensation to IARs for moving assets to SCFIA or increasing their assets under management or revenue creates a conflict of interest in that an IAR has a financial incentive to recommend switching investment products or services where a client's current investment options are not available through SCFIA, in order to receive the benefit or payment. SCFIA and our IARs attempt to mitigate these conflicts of interest by assessing and recommending that clients use SCFIA's services based on the benefits that such services provide to clients, rather than the recruitment compensation earned by an IAR. However, you should be aware of this conflict and take it into consideration in deciding whether to establish or maintain a relationship with SCFIA and your IAR.

Indirect Compensation and Revenue Sharing

SCFIA and/or SCFS receives compensation and/or fees (also referred to as revenue sharing or marketing support) from certain mutual fund sponsors (including money market funds), insurance (fixed and variable product) issuers, UIT, ETF, alternative investments, and structured product sponsors, and unaffiliated investment advisers that sponsor, manage, and/or promote the sale of certain products that are available to our clients. Product sponsors and third-party money managers ("Partners") pay this compensation to SCFIA and/or SCFS in what we call our Partners Program.

Partners pay different amounts of revenue sharing and receive different levels of benefits for their payments. These payments can be substantial and, as such, create a conflict of interest for SCFIA and/or SCFS because the payments constitute additional revenue to SCFIA and/or SCFS and can influence the selection of investments and services SCFIA and/or SCFS and/or our IARs offer or recommend to clients. SCFIA and/or SCFS seeks to mitigate this conflict of interest by

not sharing revenue sharing payments with our IARs. An IAR's compensation is the same regardless of whether a sale involves a Partners Program product or service. In some cases, Partners pay additional marketing payments to SCFIA and/or SCFS to cover fees to attend conferences or reimburse expenses for workshops or seminars. The payments made under the Partners Program are based either on gross sales or assets under management, or on a flat fee arrangement, and vary by Partner. When Partners pay a flat fee (or marketing allowance) it is negotiated annually. This payment assists with costs related to education, training, conference attendance, reimbursement for workshops or seminars and marketing materials for our IARs. We do not share any marketing allowance with our IARs.

The benefits Partners receive include IAR contact lists, business metrics, preferred placement on our website, participation in product training initiatives and marketing and sales campaigns, and the ability to participate in our conferences.

We use the revenue from our Partners to support certain marketing, training, and educational initiatives including our conferences and events. The conferences and events provide a venue to communicate new products and services to our registered representatives and IARs, to offer training to them and their support staff, and keep them abreast of regulatory requirements. The revenue is also used to pay for annual awards for our registered representatives and IARs who generate the most revenue overall and to pay for our general marketing expenses. A SCFS registered representative or an SCFIA IAR who earns total compensation over a threshold amount receives an award, in the form of a trophy, medal, or plaque, and is invited to attend our top producer conference. Revenue from the Partners helps to pay for the top producer conference costs. Top producing SCFS registered representatives and SCFIA IARs receive an award based on total revenues, including but not limited to sales of Partner's mutual funds, annuities, structured products, and ETFs.

We prepare and make available to our IARs a quarterly list of Partners' mutual funds and ETFs that have been screened for investment performance against other Partners' funds with similar objectives and asset classes (the "Select Fund List" or "List"). SCFIA and our IARs have a conflict of interest when an IAR chooses or recommends an investment from the Select Fund List for your portfolio because SCFIA and/or SCFS receives payments from the mutual fund or ETF sponsor. Our receipt of such payments influences our selection of mutual funds and ETFs, as our IARs are likely to recommend a fund or ETF whose sponsor pays us revenue sharing fees over a fund or ETF whose sponsor does not pay us.

You do not pay more to purchase funds from the List through SCFS than you would pay to purchase these funds through another broker-dealer, and your IAR does not receive additional compensation for selecting a fund from the List. IARs are not required to choose or recommend investments from the Select Fund List.

SCFIA and/or SCFS also receives compensation from certain TPIAs to assist in paying for ongoing marketing and sales support activities including training, educational meetings, due diligence reviews, and day-to-day marketing and/or promotional activities. Not all TPIAs pay such compensation and participating TPIAs change over time.

The compensation arrangements vary and are generally structured as a fixed dollar amount or as a percentage of sales or assets under management with the adviser.

A conflict of interest exists where SCFIA receives such compensation because there is an incentive to recommend these TPIAs over other investment advisers to generate additional revenue for the firm. However, our IARs are not required to recommend any TPIA providing additional compensation, nor do they directly share in any of this compensation.

Our IARs receive additional compensation from product sponsors. However, such compensation is not tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospects. Product sponsors sometimes pay for or reimburse us for the costs associated with education or training events that are attended by our IARs and for our sponsored conferences and events. We also receive reimbursement from product sponsors for technology-related costs associated with investment proposal tools they make available to our IARs for use with clients. Therefore, a conflict of interest exists to the extent their products may be approved by SCFIA or its affiliates and recommended to clients.

To see our Third-Party Fee Disclosure, which identifies the participants in the Partners Program along with revenue sharing arrangements by product type, please visit the Disclosure section of our website at scfsecurities.com/disclosures.

In their capacity as registered representatives of our affiliated broker-dealer, IARs may recommended other investment products that are subject to commission payments and other ongoing fees, including 12b-1 payments or one-time payments to SCFIA, its IAR, and/or SCFS. Clients may or may not be able to execute transactions in these products at a lower overall

cost through another firm not affiliated with any SCF entity. Clients are under no obligation to execute any securities transactions that may be recommended by their IAR through SCFIA or its affiliates.

SCFIA and its IAR receive solicitor fees for referring clients to TAMPs. Therefore, a conflict of interest exists to the extent SCFIA and its IAR recommend a TAMP's services to clients.

IARs may recommend the purchase of indexed, fixed, or general insurance products through SCFIA's affiliate insurance agency or through an approved outside business activity. SCFIA does not oversee and is not responsible for sales of these products.

SCFIA or IAR receive an economic benefit from Qualified custodians in the form of the support products and services they make available for Client accounts maintained with the custodian. These products and services, how they benefit SCFIA and IAR, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to use the Qualified Custodians products and services is not based on us giving investment advice, such as buying particular securities for Clients or based on directing client assets to any particular custodian.

From time to time, SCFIA enters into solicitation agreements with individuals or entities whereby investment advisory accounts are solicited by SCFIA and referred to another state-registered or SEC-registered investment adviser. In these situations, we are compensated for the referral activity.

SCFIA also has solicitation arrangements with persons or entities who are not our IARs. If a solicitor will receive any portion of the advisory fee paid by a client, the client will receive a written disclosure statement describing the solicitation arrangement between SCFIA and the solicitor, including the compensation to be received by the solicitor from SCFIA.

ITEM 15 CUSTODY

SCFIA does not have any arrangements whereby it accepts or holds client funds or securities. SCFIA has existing relationships with several Qualified Custodians that are solely responsible for accepting and holding all client funds and securities.

However, SCFIA is deemed to have custody of client assets by virtue of standing authorization to deduct advisory fees from client accounts pursuant to a written, executed agreement between SCFIA, its IAR, and Client. SCFIA is also deemed to have custody of client assets by allowing clients to maintain certain first, and third-party standing letters of authorization for client funds and/or securities movement.

SCFIA intends to comply with SEC no-action relief conditions, thereby exempting it from an annual surprise audit. Qualified Custodians assist SCFIA in its compliance with the SEC no-action relief conditions by performing appropriate verification of client cashiering instructions. All cashiering requests and standing instructions must be provided and authorized by the client in writing. Client maintains the ability to terminate or change any instruction given. SCFIA, its IARs, and associates have no authority or ability to designate or otherwise change any portion of the client's request. All changes must be made by the client in writing via a signed request.

Client's qualified custodian will send the client in writing, an initial notice confirming instructions received, and an annual notice reconfirming the instruction. SCFIA will maintain records showing that the contra-party to any cashiering request is not a related party of SCFIA, or located at the same address of SCFIA, or any of its affiliates or IARs.

With regard to the AssetMark Advisor Model Platform, SCFIA does not provide custodial services to its clients. Client assets are held with banks, financial institutions or registered broker-dealers that are "qualified custodians." Clients will receive statements directly from the qualified custodians at least quarterly. We urge clients to carefully review those statements and compare the custodial records to the reports that we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

ITEM 16 INVESTMENT DISCRETION

SCFIA and its IARs may accept discretionary authority to manage securities accounts on behalf of Clients. SCFIA and IAR have the authority to determine, without obtaining specific Client consent, the type of securities and/or amount to be bought or sold. Discretionary trading authority facilitates placing trades in Client accounts on Client's behalf so the IAR may promptly implement the investment policy the Client has approved in writing. Full discretion is accepted upon selecting discretion on the designated agreement.

Contour accounts are managed on a discretionary basis with discretion granted to: (a) the IAR in APM; (b) Envestnet in the FSP; (c) the SMA Manager or Envestnet in SMA; (d) Envestnet as Overlay Manager, Sub-Manager(s), and IAR for Other Investments and allocation to model providers in UMA. Your IAR has limited discretion to change your investment strategies, Model Providers and/or Sub-Managers within the same profile risk tolerance to a lower tolerance without your approval so long as there is no fee increase; however, to increase your risk tolerance or fees, your IAR will obtain your written consent.

ITEM 17 VOTING CLIENT SECURITIES

SCFIA and IARs do not and cannot be directed by Clients to vote proxies on securities. Clients are expected to vote their

own proxies. SCFIA and IARs do not provide proxies to Clients, Clients will receive them directly from the custodian and/or transfer agent. SCFIA and IARs do not provide guidance on proxy voting.

In Contour, you authorize SMA Managers, Sub-Managers, or Envestnet, as applicable, in writing to exercise discretion in voting or otherwise acting on all matters for which a security holder vote, consent, election or similar action is solicited by, or with respect to, issuers of securities beneficially held as part of the Platform Assets in SMA or UMA accounts. You can revoke this authority by providing written instructions.

With regard to the AssetMark Advisor Model Platform, the Client retains the right to vote proxies if the Account is invested in a Mutual Fund, ETF or Variable Annuity Investment Solution. If the Account is invested in an IMA, CMA, or UMA Investment Solution, the Client designates the applicable Discretionary Manager as their agent to vote proxies on securities in the Account. Client acknowledges that as a result of this voting designation they are also designating the Discretionary Manager as their agent to receive proxies, proxy solicitation materials, annual reports provided in connection with proxy solicitations and other materials provided in connection with the above actions relating to the assets in the Account. However, the Client retains the right to vote proxies and may do so by notifying SCFIA or its IAR in writing of the desire to vote future proxies.

ITEM 18 FINANCIAL INFORMATION

A balance sheet is not required to be provided because SCFIA does not serve as a custodian for Client funds or securities and does not require prepayment of fees of more than \$1,200 per Client, six months or more in advance.

SCFIA does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. SCFIA has not been subject to a bankruptcy petition at any time in the past ten years.

SCFS (whose employees provide back office advisory functions for clients and IARs of SCFIA) received a Paycheck Protection Plan ("PPP") Loan in the amount of \$400,000 through the Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic. SCFS received forgiveness for the loan as outlined by the PPP Loan program. Several individual IARs also elected to participate in the Payroll Protection Plan and received PPP Loans to sustain business continuity and may continue to participate in the PPP program. You may contact your assigned advisory agent to learn the specific details of their participation in the PPP loan program such as the amount of any loan and the purpose of their participation.