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## **Item 1 - Cover Page**

### **Wrap Fee Brochure**

#### **Appendix 1 of Form ADV Part 2A**

**March 28, 2023**

**Drawbridge Capital, LLC**

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**Tulsa, Ok 74136**

**918-493-4190**

**<https://www.drawbridge.capital/>**

This wrap fee brochure provides information about the qualifications and business practices of Drawbridge Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 918-493-4190. 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.

Drawbridge Capital is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Drawbridge Capital, including the information contained in this brochure, should provide you with information to determine whether to hire or retain Drawbridge Capital as your adviser. Additional information about Drawbridge Capital also is available on the SEC's website at <https://adviserinfo.sec.gov/>. The SEC's web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Drawbridge Capital.

This brochure reflects the current advisory activities and wrap fee advisory services of Drawbridge Capital as of the date set forth on the cover and is posted on the SEC's public disclosure website (IAPD) at <https://adviserinfo.sec.gov/>.

## **Item 2 - Material Changes**

Please note that there were no "material changes" made to this Brochure. This is the first such brochure submitted by Drawbridge Capital. This brochure is also available, free of charge, by request by contacting the firm at 918-493-4190.

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## **Item 4 - Services, Fees and Compensation**

### ***Overview***

Drawbridge Capital, LLC (also referred to in this brochure as Drawbridge Capital, we, our, us, or the firm) is an investment adviser, registered with the SEC and either registered and or notice filed in the respective state jurisdictions in which it provides advisory services. Its principal place of business is located in Tulsa, OK. Drawbridge Capital provides individualized investment management, financial planning, and consulting services to its clients. Additional information about the investment management and financial planning services offered by Drawbridge Capital is available in the firm's Form ADV Part 2A Brochure, which can be requested by contacting the firm, or is publicly available at <https://adviserinfo.sec.gov/>.

### ***Ownership***

Drawbridge Capital is held under common ownership with Regent Financial Services, Inc by Gary Stanislawski. Drawbridge Capital was originally established in 2017 and is an investment adviser registered with the SEC starting in 2019.

### ***Wrap Fee Program Services***

Wrap fee programs are offered by Drawbridge Capital and LPL Financial, LLC (LPL), a separate and legally unaffiliated entity which is an SEC registered broker/dealer and member of the Financial Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). Clients of the wrap fee programs will receive ongoing advisory services, portfolio management, custodial, execution, clearing, and reporting services for one all-inclusive fee. The advisory services are provided by Drawbridge Capital and include obtaining financial data from the client to assess their current financial situation, goals, and attitudes towards risk, determining the suitability of the program, and recommending an appropriate investment objective and/or asset allocation. The portfolio management is provided by either LPL or via investment models developed by a third-party money manager, depending on the specific program selected. The custodial, execution, clearing, and reporting services are provided by LPL.

Once the client approves an asset allocation, the individual portfolios will be managed accordingly on a discretionary basis, where the clients authorize the portfolio manager to have discretion to make all investment related decisions. Portfolios are invested in a variety of investment classes, including stocks, bonds, mutual funds, exchange traded funds, and investment models, among others.

Ultimately, the portfolio manager not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring, rebalancing, and reporting. Neither LPL nor a third-party money manager directly provides advisory services to Drawbridge Capital clients with a few exceptions. One such exception is the Muni Model/Sleeve within the Personal Wealth Portfolio (PWP) program where individualized discretionary advisory services are provided directly to clients with respect to the purchase and sale of fixed income securities within that

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sleeve alone. Otherwise, LPL and the third-party money managers manage portfolios without regard for any particular client, and Drawbridge Capital is responsible for the advisory services provided.

Drawbridge Capital's investment decisions are made in accordance with the fiduciary duties owed to its clients, without consideration of Drawbridge Capital's economic, investment or other financial interests. To meet its fiduciary obligations, Drawbridge Capital attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, Drawbridge Capital's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time and to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis.

### ***Investment Products***

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company, and will generally include advice regarding equity securities, corporate debt securities, commercial paper, certificates of deposit, structured notes, municipal securities, investment company securities, U.S. Government securities, options contracts, ETFs, and investment models offered by third-party money managers. Insurance products may also be recommended when we deem such investments to be appropriate. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the clients stated investment objectives, tolerance for risk, liquidity, and suitability. Clients may request that we refrain from investing in specific securities or certain types of securities and must provide these restrictions to our firm in writing.

Investing in securities involves risk of loss that you should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of your investments will fluctuate due to market conditions and other factors. Investments are subject to various risks including, but not limited to, market liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.

### ***Assets Under Management***

As of December 31, 2022, Drawbridge Capital has \$145,033,568 of discretionary assets.

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### *Wrap Fees and Compensation*

<b>Total Assets Under</b>	<b>Maximum</b>
\$15,000 - \$99,999*	2.00%
\$100,000 - \$249,999	1.90%
\$250,000 - \$499,999	1.80%
\$500,000 - \$999,999	1.65%
\$1,000,000 - \$1,999,999	1.50%
\$2,000,000 - \$2,999,999	1.40%
\$3,000,000 - \$3,999,999	1.30%
\$4,000,000 - \$4,999,999	1.20%
\$5,000,000 +	1.10%

\*If an account falls below \$15,000, you may be asked to terminate the account.

This account fee schedule represents the maximum fees allowable and applies to all types of accounts. For example, if a household has three accounts, regardless of type or registration, totaling \$2,000,000, the fee percentage on the accounts would be a maximum of 1.40%. As you invest more assets in the program, the amount of fees we collect will increase; therefore, there is an incentive to encourage you to increase your assets. In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. Family members or friends may receive a reduced fee or no fee.

The account fee represented in the fee schedule is made up of an advisory fee and a manager fee. Drawbridge Capital does not directly deduct fees but is paid by LPL. The account fee is automatically deducted from your account by LPL who then shares a portion of the advisory fee with Drawbridge Capital and retains or pays the manager fee to the appropriate portfolio manager. The advisory fee is charged for the advisory services provided by Drawbridge Capital as well as the custodial, brokerage, and administrative services provided by LPL. The manager fee is charged for the portfolio management services provided by the portfolio manager, either LPL or a third-party money manager. You do not pay brokerage commissions or transaction charges for execution of transactions in addition to the account fee. Neither are you charged performance-based fees for accounts in the wrap fee programs.

Account fees are payable quarterly in advance based on the end of quarter values. Management fees are not prorated for each capital contribution or withdrawal made during the applicable calendar quarter. Clients are provided with a quarterly statement from LPL, reflecting the deduction of the advisory fee. In certain cases, and with your consent, fees can be deducted from an associated account or billed to you directly rather than deducted from the account for which the fees are being

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charged. You are required to submit a request and be granted approval for this arrangement.

You will have the opportunity to place reasonable restrictions on the types of investments that will be made on your behalf. You will retain individual ownership of all securities.

The term of engagement will be ongoing, as set forth in the Advisory Agreement. For ongoing agreements, you are responsible for ensuring that the Drawbridge Capital has been informed of any changes in investment objectives and risk tolerance in a timely manner. For termination details, please see the “Termination” section below.

### ***Transaction Fees and Expenses***

The advisory wrap fee is exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses that are customary and usual and generally incurred by clients in non-wrap advisory relationships. However, in addition to the account fee, clients can also incur other additional miscellaneous administrative or custodial-related fees and charges which will be listed at account opening and available on LPL’s website at <https://lpl.com/disclosures.html>. These fees include retirement account fees, termination fees, wire transfer and electronic fund fees, among others. Clients are not charged additional brokerage commissions, markups or transaction charges for execution services by LPL in addition to the account fee for wrap programs.

Additionally, all advisory wrap fees paid to Drawbridge Capital for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee or other fund expenses. The account may be subject to ancillary charges such as transfer costs that are not included in the wrap fee. Clients may also incur certain charges imposed by third parties other than Drawbridge Capital in connection with investments made through the account, including but not limited to certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees. There can be additional fees and charges such as taxes and charges required by law or imposed by exchanges or regulatory bodies.

You could invest in a mutual fund or other securities directly, without the services of Drawbridge Capital. In that case, you would not receive the services provided by Drawbridge Capital, which are designed at least in part to assist clients in determining which mutual fund or securities are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Drawbridge Capital to fully understand the total amount of fees to be paid and thereby evaluate the advisory services being provided.

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### ***Important Information Regarding Fees***

The wrap fee program may cost you more or less than purchasing such services separately. This depends on the amount of trading in your account and the value of your accounts as well as the type of investments selected. You are encouraged to compare the costs you may incur in this wrap fee program versus a typical investment management account, as the anticipated level of trading activity will impact the costs associated with each type of arrangement.

### ***Conflict of Interest Disclosure***

Under this wrap fee program, you pay a single fee for discretionary investment management services and trade execution costs and other services such as custody, recordkeeping and reporting. You do not pay separate commissions for each trade we execute in this type of account. Instead, we incur the cost of executing securities transactions. This can create a conflict of interest because Drawbridge Capital could be incentivized to initiate fewer trades in your wrap program fee account to minimize expenses for Drawbridge Capital. To manage this conflict of interest, we 1) monitor account activity to help identify inactivity, and 2) are bound by fiduciary duty to act in the best interest of clients.

### ***Termination***

You may terminate the agreement without penalty for a full refund of the Drawbridge Capital fees within five (5) business days of signing the Investment Advisory Contract. Thereafter, you may terminate the contract generally with 30 days written notice. If the advisory agreement is terminated before the end of the quarterly period, you are entitled to a pro-rated refund of any pre-paid quarterly advisory fees based on the number of days remaining in the quarter after the termination date, which will be processed by LPL. If the account is closed within the first six months by you or as a result of withdrawals bringing the account value below the required minimum, LPL and Drawbridge Capital reserve the right to retain the pre-paid fee for the current quarter to cover administrative costs of establishing and terminating the account.

### ***Special Situations***

With respect to employee related accounts, the quarterly fees can be less. Additionally, Drawbridge Capital may charge less with respect to certain client accounts, depending upon a number of factors, including portfolio size, length of employment, and relationship to the employee.

### ***Custody***

Drawbridge Capital does not hold client assets. Instead, we require that all client assets be maintained in an account at a non-affiliated qualified custodian: LPL Financial, a broker-dealer. LPL will hold your assets and will be able to buy and sell securities on your behalf. For our clients' accounts that LPL maintains, LPL charges an asset-based fee that covers trading fees and custody services (included within the total account fee).

For clients wishing to have their IAR implement their investment advice, in their capacities as registered representatives, their broker/dealer LPL will be used. LPL has a wide range of approved



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securities products for which LPL Research Department performs due diligence when selecting. LPL's registered representatives are required to adhere to these products when implementing securities transactions. The commissions earned for these products may be higher or lower than commissions earned through another broker/dealer.

### ***Retirement Accounts - DOL Disclosure***

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (ERISA) and/or the Internal Revenue Code as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to as Retirement Accounts).

To ensure that Drawbridge Capital will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of Drawbridge Capital.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Item 5 - Account Requirements and Types of Clients**

In order to invest in the wrap fee program, a client's household must have assets under management totaling \$25,000 or greater. The minimum required will vary depending on the specific wrap program selected. Types of clients we typically manage wrap fee accounts on behalf of include:

- Individuals
- Families
- High net worth individuals

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- High net worth families
  - Pension and profit-sharing plans (other than participants)
  - Charitable organizations
  - Trusts
  - Estates
  - Private business owners
  - Public company affiliates
  - Private foundations

## **Item 6 - Portfolio Manager Selection and Evaluation**

### ***Portfolio Manager Selection***

#### ***Overview***

Our investment advisor representatives (IARs) do not serve as portfolio managers for wrap fee program clients. The programs utilize asset allocation portfolios designed by LPL's Research Department, investment models provided by third party money managers, and/or model portfolios of third-party professional portfolio management firms. These portfolio managers select the securities and investment models to be made available in a portfolio. The managers currently participating in the programs as well as managers being considered for addition to the programs are reviewed on an ongoing basis centered on quantitative, qualitative, and infrastructure criteria which may include:

#### ***Quantitative Criteria***

Quantitative criteria are evaluated both in terms of absolute performance and performance relative to the investment style group, including but not limited to: rate of return, consistency of returns and risk, number of employees and accounts, years in the business, and assets under management.

#### ***Qualitative Criteria***

Qualitative criteria include but are not limited to: sound investment philosophy and process that drives performance, assessment of the investment manager and team, risk controls, and legal and compliance issues.

#### ***Infrastructure Criteria***

Infrastructure criteria are reviewed to assess whether managers can handle operational requirements such as composite calculation methodology, trade rotation policy (as applicable), back-office review, client servicing resources, and firm-wide program commitment.

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### ***Manager and Portfolio Review***

A manager may be removed should it be determined the manager has failed to meet one or more of the above selection criteria or other pertinent criteria (e.g., significant change in management staff). No one criterion is determinant in a removal or replacement decision, all criteria are considered. Additionally, emphasis is placed on long term overall performance from a qualitative and/or quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision to remove a manager.

For a manager to be selected for the program, a third-party verification letter related to compliance of the performance information with Global Investment Performance Standards (GIPS) or a similar letter indicating an audit has been performed by an independent auditor is typically required. Alternative methods for verifying the experience and/or performance of a manager can also be used.

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Different portfolios are designed to meet different investor needs using a rules-based, disciplined process for security selection and portfolio construction. Portfolios are managed tactically, they are flexible and designed to take advantage of short-, mid-, and long-term market opportunities and are not opposed to frequent trading when it is believed it will serve to further the purposes of the portfolio.

### ***Types of Investments and Risks***

Investing in securities involves risk of loss. Programs may include different types of securities, including but not limited to: mutual funds, closed-end funds, ETFs, exchange traded notes (ETNs), and equity and fixed income securities. Described below are some investment products and general risks associated with investing.

#### **General Risks**

***Market Risk:*** The value of securities owned may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

***Concentration Risk:*** Portfolio investments may be concentrated (significant portion of the assets invested in the securities of a single issuer, industry, sector, country or region), which would increase any adverse impact that may develop within the concentrated position. Diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

***Sector Risk:*** Portfolio investments may be invested heavily within a particular sector, industry, or sub-sector of the market, making it more sensitive to developments that impact those areas, which may be more volatile and may perform differently than the overall market. Multiple industries making up a sector may all react in a similar way to economic, political, or regulatory events.

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***Cash and Cash Equivalents Risk:*** Accounts may maintain significant cash positions from time to time and you will pay the Investment Management Fee based on the net asset value of the account, including cash and cash equivalents. Furthermore, the account may forego investment opportunities to hold cash positions if we consider it in the best interests of the accounts.

***Liquidity Risk:*** The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period and less able to be sold or redeemed quickly, or without significantly impacting the price.

***Credit Risk:*** An investment could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

***Issuer-Specific Risk:*** The value of an individual security or type of security could be more volatile than the market as a whole, performing differently from the market.

***Investment Company Risk:*** Account performance will be affected by the performance of any investment companies owned and are subject to the risks of the investment companies' investments, as well as to their expenses. Distributions of taxable gains may be received from portfolio transactions by that investment company and taxable gains from transactions in shares of that investment company may be recognized and taxable when distributed.

***Interest Rate Risk:*** The prices of securities in which the manager may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. Longer duration securities will be more sensitive to change in interest rates. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

***Non-U.S. Securities Risk:*** Non-U.S. securities involve risks in addition to those associated with comparable U.S. securities and can be more volatile and experience more rapid and extreme changes in price than U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political or economic instability; fluctuations in non-U.S. currencies and in the U.S. dollar exchange rate to those currencies; nationalization or expropriation of assets; settlement, custodial or other operational risks; less stringent auditing, accounting, financial reporting and legal standards; excessive taxation; and exchange control regulations. Adverse conditions in a particular region could negatively affect securities of countries whose economies appear to be unrelated or not interdependent. In many countries, there is less publicly available and lower quality information about issuers than is

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available in the reports and ratings published about issuers in the U.S.

### **Types of Investments**

**Alternative Strategies:** Alternative investment products, including but not limited to hedge funds, commodities, real estate, managed futures, and derivatives, involve a high degree of risk and may not be appropriate for all investors. These strategies often engage in leveraging, selling short, and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors. In addition, they may involve complex tax structures and delays in distributing important tax information and are not subject to the same regulatory requirements as mutual funds. Alternative investments often charge higher fees and have higher expense ratios than traditional mutual funds which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

**Closed-End Funds:** Closed-end funds available within the program may not give investors the right to redeem their shares, and a secondary market may not exist, which means you may be unable to liquidate all or a portion of your shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, but there is no guarantee that you will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.

**Exchange-Traded Funds :** ETFs are typically investment companies classified as open end mutual funds or unit investment trusts, but differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange, which means shares can be bought and sold throughout the trading day and may trade at a discount or premium to their net asset value, commonly referred to as the "spread." The spread varies over time based on trading volume and market liquidity (generally lower if the ETF has a lot of trading volume and market liquidity and higher if it has little). Some ETFs, in particular, those that invest in commodities, are not registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds. ETFs may be closed and liquidated at the discretion of the issuing company.

**Exchange-Traded Notes:** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark and may be linked to a variety of assets such as commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be

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bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price.

Some of the more common risks of an ETN are as follows: The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.

***Leveraged and Inverse ETFs, ETNs, and Mutual Funds:*** Leveraged investments, sometimes labeled “ultra” or “2x”, these investments are designed to provide a multiple of the underlying index's return, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although they are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors (“tracking error”). Continual resetting of returns within the product may add to the underlying costs and increase the tracking error, preventing these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

***High-Yield Debt:*** Debt issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

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**Options:** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. You should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold.

**Other Complex Products:** Certain clients meeting qualification standards may also purchase other complex exchange traded products, which may be structured as ETFs, ETNs or as other types of securities which differ, often significantly, from traditional ETFs, ETNs and mutual funds and can be significantly more speculative and volatile. Other complex exchange traded products are often not designed to be held long term.

**Cryptocurrency and Blockchain Technology:** Cryptocurrency is part of a new and evolving industry, and neither the technology nor regulatory regime for cryptocurrency is settled. Blockchain is a novel technology for which its uses, opportunities, applications, and abilities are unknown and unproven. There can be no assurances that companies investing in either of these technologies will be able to benefit from it. The amount and type of investment restrictions are subject to change and manager's acceptance. Companies investing in cryptocurrency and blockchain tend to be concentrated in the technology and financial sectors. As a result, the portfolio will be subject to the concentration risk and the portfolio's performance may vary materially from that of its MSCI World Index benchmark. This portfolio invests in American depositary receipts (ADRs), negotiable certificates traded on a U.S. exchange which are issued by U.S. banks, and which represent a specified number of shares (or one share) in a foreign stock, subject to non-U.S. securities risk.

#### **Pledging Assets**

The custodian, LPL, has partnered with certain banks to help facilitate your access to collateralized non-purpose lines of credit within certain accounts. For a list of the banks currently participating in LPL's collateralized lending program, please visit <https://lpl.com/disclosures.html>, click on "Account Disclosures, Agreements, Fee Schedules & Conflicts of Interest," and then "Third Party Compensation and Related Conflicts of Interest." You are not required to use the banks in LPL's program and can work directly with other banks (non-partner banks) to negotiate loan terms or obtain other financing arrangements.

Unless Drawbridge Capital specifically recommends that you hold your securities investments and instead utilize a collateralized line of credit to access funds, the

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decision regarding whether to arrange for a collateralized loan and the decision to draw down on such a loan are not covered by your advisory relationship with Drawbridge Capital or LPL. You should also be aware that pledging assets in an account to secure a loan involves additional risks including but not limited to: the bank holding the loan has the authority to liquidate all or part of the securities at any time without your prior notice in order to maintain required maintenance levels, or to call the loan at any time, causing you to sell assets and realize losses in a declining market, imposing collateral requirements that restrict the ability to make investment decisions or recommendations for the account, possibly interfering with your long term investment goals, and/or resulting in adverse tax consequences. Before pledging assets in an account, you should carefully review the loan agreement, loan application and any forms required by the bank and any other forms and disclosures provided by LPL.

### **Trading Securities**

The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons, including other market participants developing similar programs or techniques.

Trading is speculative: there are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

Our trading activities may be made based on short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses. Additionally, certain trading strategies can affect investment performance through increased brokerage and other transactions. Each client's propensity for risk however is thoroughly evaluated, documented, and considered throughout the portfolio implementation process.

Although portfolio managers intend to manage risk through the careful selection of investments, no investment strategy can assure a profit or avoid a loss.



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### ***Voting Client Securities***

As a matter of our policy and practice, Drawbridge Capital does not vote client proxies. If you designate the IAR to receive proxy materials within the application for a discretionary account, either the IAR will work in coordination with you to vote your proxy or a third-party manager selected/recommended by our firm may vote your proxy for you. Otherwise, you retain the responsibility for receiving and voting proxies or other solicitations directly from LPL for all securities maintained in client portfolios and may contact Drawbridge Capital at (918) 493-4190 or the offering company to discuss any questions you may have with a solicitation or proxy voting issue. When you elect to retain the right and obligation to vote proxies, LPL is reimbursed by the proxy issuer for delivery costs to send materials to you.

Depending on the program selected, LPL or the portfolio manager can vote proxies on your behalf. LPL has adopted policies and procedures for LPL to vote securities in your best interest as a client and can engage third party vendor(s) to make proxy voting recommendations and handle the administrative functions of voting proxies. LPL will generally vote according to the recommendations of the third-party vendor as long as it is reasonably determined that doing so is in your best interest. The portfolio managers, when applicable, are responsible for voting proxies and determining proxy voting decisions and policies unless directed in writing otherwise.

### **Item 7 - Client Information Provided to Portfolio Managers**

Initially, Drawbridge Capital will consult with prospective clients to determine their financial position, investment goals and objectives including risk tolerance, time horizon, investment limitations, and reasonable investment restrictions (collectively the “client profile”). This client profile is used to help determine your investment needs.

Depending on the program, the client profile can be used by the IAR to recommend an investment strategy or model portfolio or shared directly with the portfolio manager. At least annually, Drawbridge Capital will contact you to determine whether you have had any changes to your profile. Should changes occur to your profile before the annual conference call or meeting, it is your responsibility to contact Drawbridge Capital as soon as possible to communicate these changes.

### **Item 8 - Client Contact with Portfolio Managers**

Drawbridge Capital does not place any restrictions on your ability to contact and consult with portfolio managers. For those programs the portfolio manager is given the client profile, you may communicate directly with the manager, although you are encouraged to direct all communication through your IAR. Because portfolio managers’ roles are generally limited to providing models and provide no individualized discretionary advisory services, portfolio managers are typically unavailable to be contacted or consulted by clients. You should communicate any changes in investment objectives and restrictions as well as changes in financial condition to your IAR.

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## **Item 9 - Additional Information**

### ***Disciplinary***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Drawbridge Capital or the integrity of Drawbridge Capital's management. Drawbridge Capital has no information which is applicable to this Item.

### ***Other Financial Industry Activities and Affiliations***

#### **Insurance Agent**

Drawbridge Capital IARs can be licensed insurance agents and appointed by various insurance companies to offer their products. If you purchase insurance products through our IAR acting in his or her capacity as an insurance agent, they will receive normal commissions which will be in addition to customary advisory fees. You are under no obligation to act upon any recommendations or purchase any insurance products through our investment advisor representatives. Insurance products that generate a commission are not included in assets under management by Drawbridge Capital.

#### **Registered Representative of a Broker-Dealer**

Drawbridge Capital IARs are associated with LPL Financial as registered representatives. LPL is a broker-dealer engaged in the offer and sale of securities products. Our IARs may recommend the purchase of services offered by LPL. If you purchase these products through them, they will receive normal commissions, which may be in addition to customary advisory fees. As such, they may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Although our Advisors' security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives they have to sell certain securities products and are encouraged to ask them about any conflict presented.

### ***Code of Ethics***

Drawbridge Capital has adopted a Code of Ethics that applies to all of our supervised persons, describing our standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of your client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Drawbridge Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

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Subject to satisfying this policy and applicable laws, officers, directors, and employees of Drawbridge Capital and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Drawbridge Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Drawbridge Capital and its clients.

### ***Personal Trading***

Drawbridge Capital and our related persons are allowed to purchase and sell securities for their own accounts. To prevent conflicts of interest, all employees of Drawbridge Capital must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Drawbridge Capital's clients or prospective clients may request a copy of our Code of Ethics by contacting the firm.

### ***Review of Accounts***

Accounts are generally reviewed no less than annually and compare each investment on a transaction basis to ensure that each transaction is: (i) suitable to your investment objectives; (ii) meets your quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as your individual circumstances or the market economic or political environment.

### ***Reports***

Clients will receive reports at least quarterly from LPL, the custodian of their accounts. This quarterly report will show beginning and ending values and all transactions executed during the time period, as well as deposits and withdrawals from the account. You are encouraged to compare any reports or

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statements provided by us, or third-party money managers, against the account statements delivered from LPL. When you have questions about your account statement, you should contact our firm and/or LPL who prepares the statement.

***Client Referrals and Other Compensation***

Drawbridge Capital does not compensate any outside parties for client referrals, nor do we receive any compensation or non-cash economic benefit for client referrals.

Drawbridge Capital does however receive economic benefits from LPL in the form of the support products and services that are made available to us and to other independent investment advisors. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 of Form ADV Part 2A Brochure.

***Discretion***

Discretionary assets are the assets with which we have the authority to determine whether to buy or sell securities. This authority is called a trading authorization. Non-discretionary assets are assets in accounts that we provide recommendations on, as to the purchase or sale of specific securities. We do not place orders to buy or sell non-discretionary assets without first receiving your authorization.

***Financial Information***

We are required to provide you with certain financial information or disclosures about financial conditions which would impede our ability to provide the advisory services described herein. Drawbridge Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

**Item 10- Requirements for State-Registered Advisers**

Drawbridge Capital has no additional information which is applicable to this item.