

Darwin Wealth Management, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Darwin Wealth Management, LLC or referred to as "Advisor." Darwin Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at: 813-579-4074. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Darwin Wealth Management (CRD # 166585) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Summary of Material Changes

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

Below is a summary of material changes made to Darwin Wealth Management's brochure since the filing of our last updating amendment, dated December 19, 2022:

- Item 5 – We added additional information regarding a cash management product we now offer via StoneCastle Network, LLC.
- Item 5 – We added a sub-section for “Insurance Company Products (fee-based)” under “Compensation for the Sale of Securities or Other Investment Products”. In this sub-section, we cover the conflicts of interest that exist from compensation the firm receives through the sale of fee-based insurance company products.

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Item 4 Advisory Business

Firm Description

Darwin Wealth Management, LLC is a registered investment adviser primarily based in Tampa, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2012. We are owned by Darwin Partners, LLC.

We are indirectly owned by Michael Bartolotta, Jeremy Bartolotta, and Michael Sorrentino through MRM Equity Group Holdings, LLC. MRM Equity Group Holdings, LLC is the direct owner of Darwin Partners, LLC.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Darwin Wealth Management and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm and/or an unaffiliated investment manager. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

In limited circumstances and in our sole discretion, we may agree to provide non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may invest your assets according to one or more model portfolios developed by either our firm or another investment manager. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within

the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm. Additionally, as part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s) and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships. Models are subject to an additional model fee. Our fees are disclosed in Item 5 of this brochure.

Web-Based Portfolio Management

In addition to our traditional portfolio management services, we also offer discretionary web-based portfolio management services. The web-based option is offered through and in conjunction with the Betterment For Advisors platform ("Betterment"), which is an automated and interactive web-based investment management system that utilizes algorithms to advise and manage accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel.

The investment advice rendered through this program is tailored to meet your individual investment needs and objectives and is delivered exclusively based upon information you submit via an online investment questionnaire. Your responses to the online investment questionnaire are used to determine whether the available investment programs offered are appropriate for you generally, and, if so, to select a particular investment option that fits with your unique investment profile. After submission of the online investment questionnaire, an investment option will be selected for you.

Subject to our supervision, input, and oversight, Betterment will manage the investment and reinvestment of your assets within the program, in a manner that is consistent with the Investment Policy Statement "IPS" we develop for you. The investment and reinvestment of your assets within the program is managed on a discretionary basis by Betterment and will occur automatically in accordance with the investment program that has been selected. Betterment will automatically re-balance your holdings on a periodic basis to maintain the target asset allocation percentages within the selected investment program. You can change your investment allocations and/or investment strategy at any time by going online and updating your web-based information.

You will be required to enter into a separate discretionary advisory agreement with Betterment. You may withdraw assets from your account at any time directly via the web-based portal, subject to the usual and customary securities settlement procedures. Our investment strategies typically rely on long-term investment strategies and asset withdrawals may therefore impair the achievement of your specific investment objectives.

In providing the portfolio management services under this program, all information will be provided through the web-based portal. Our firm will not verify any information we receive from you, or your agent(s), and we will rely on the information you provide. It is your responsibility to promptly update your account application through the web-based portal if there are ever any changes in your financial situation or investment objectives for the purpose of reallocating and/or re-balancing your account.

Selection of Other Advisers

We may recommend that you use the services of a third-party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or

investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives. The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Financial Consulting Services

We offer financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services may be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan. We may also provide additional types of pension consulting services to plans on an individually

negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Wrap Fee Programs

While we do not sponsor a wrap fee program, we may recommend TPMMs or Sub-advisers that utilize a wrap fee program. A wrap fee program is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in a wrap fee program, you will pay a single fee that includes money management fees, certain transaction costs, and custodial and administrative costs. The overall cost you will incur if you participate in a wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

Types of Investments

We offer advice on equity securities, corporate debt securities (other than commercial paper), structured notes, certificates of deposit, municipal securities, mutual fund shares, exchange-traded funds (ETFs), United States government securities, options contracts on securities, fee-based annuities, cryptocurrency, and money market funds.

Additionally, we may advise you on other various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

We have entered into agreements with Flourish Digital Assets LLC ("Flourish Digital Assets") and Paxos Trust Company, LLC ("Paxos") to offer certain eligible clients the opportunity to invest in cryptocurrency through Flourish Crypto accounts offered on the Flourish platform. A Flourish Crypto account is a cryptocurrency investment account custodied by Paxos through which investors can trade cryptocurrencies and maintain custody of cryptocurrencies and U.S. dollars. Clients that invest through a Flourish Crypto account will execute agreements with Flourish Digital Assets and Paxos. We manage certain clients' Flourish Crypto accounts on a discretionary basis and provides other clients with the option of opening client-directed accounts. Darwin Wealth Management is not affiliated with either Flourish or Paxos.

In February 2022, we began to offer an unregistered structured note products provided by and issued through affiliates of Longevity Market Assets. As the structured note offering is an unregistered securities product (also known as a private placement), it is therefore limited to only certain accredited investors, as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, qualified to purchase units in the offering. Darwin Wealth Management is not affiliated with Longevity Market Assets.

Client Assets Under Management

As of December 31, 2022, we provide continuous management services for \$473,212,345.02 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the annual fee schedule below. Assets in each of your accounts are included in the fee assessment unless specifically identified in writing for exclusion.

Annual Fee Schedule	
Assets Under Management	Annual Fee
First \$500,000 (up to \$500,000)	1.25%
Next \$1 Million (\$500,001-\$1,500,000)	1.00%
Next \$1 Million (\$1,500,001 - \$2,500,000)	0.90%
Next \$2.5 Million (\$2,500,001 - \$5,000,000)	0.80%
Next \$5 Million (\$5,000,001 - \$10,000,000)	0.70%
Next \$15 Million (\$10,000,001 - \$25,000,000)	0.60%
Next \$10 Million & Above (\$25,000,001 & Above)	Negotiable

At our discretion and in limited circumstances, we may negotiate the percentages assigned in the aforementioned annual fee schedule. The annual fee schedule above shall be applied to your account on a "blended" basis. An example of how our blended billing procedure's function, a hypothetical client account containing a balance of \$3,500,000 would pay 1.25% on the first \$500,000 of the client's account balance; 1.00% on the next \$1,000,000 of the client's account balance; 0.90% on the next \$1,000,000 of the client's account balance; and 0.80% on the remaining \$500,000 of the client's account balance.

Our annual portfolio management fee is billed and payable, monthly in arrears, based on the balance at end of billing period. However, certain legacy clients may be subject to a different fee schedule and billing arrangements as provided in their advisory agreement.

If the portfolio management agreement is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Web-Based Portfolio Management Services

Betterment charges a separate annual wrap fee that typically ranges from 0.12% to 0.20% of the account balances. The agreed upon fee will be memorialized in the separate advisory agreement you enter into with Betterment. However, we will pay Betterment's annual wrap fee from the advisory fee you pay to us as referenced in the above annual fee schedule. You will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. The services included for the wrap fee include all of the services provided by Betterment and Betterment Securities through the Betterment for Advisors platform, including advisory services, custody of assets, execution and clearing of transactions, and account reporting. Utilizing the Betterment for Advisors platform may cause you to pay a higher aggregate fee than if the advisory, custodial, trade execution, and other services were purchased separately.

All of the terms identified in the *Fees and Compensation* section for *Portfolio Management Services* apply to those clients utilizing our *Web-Based Portfolio Management Services*. Additional information regarding Betterment's fees and compensation is described in Betterment's Form ADV Part 2A.

Selection of Other Advisers

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

Our recommendations to use third party money managers are included in our portfolio management fee. We do not charge you a separate fee for the selection of other advisers nor will we share in the advisory fee you pay directly to the TPMM. Advisory fees that you pay to the TPMM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure for information on its fees and services.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may

terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

Financial Planning Services

We charge either an hourly fee or a fixed fee for financial planning services. Our hourly fee is \$150 per hour and our fixed fee ranges from \$750 - \$1,500. The fees are negotiable depending upon the complexity and scope of the plan, your financial situation, and your financial objectives. For hourly arrangements, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We require that you pay 50% of the fee in advance and the remaining portion upon completion of the services rendered. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

You may terminate the financial planning agreement upon 30 days written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

Financial Consulting Services

We charge either an hourly fee or a fixed fee for financial consulting services. Our hourly fee is \$150 per hour and our fixed fee ranges from \$750 - \$1,500. The fees are negotiable depending upon the complexity and scope of the services to be rendered, your financial situation, and your financial objectives. For hourly arrangements, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We require that you pay 50% of the fee in advance and the remaining portion upon completion of the services rendered. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial consulting agreement and the rendering of the agreed upon services, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial consulting services rendered to date.

You may terminate the financial consulting agreement upon 30 days written notice to our firm. If you have pre-paid financial consulting fees that we have not yet earned, you will receive a prorated refund of those fees. If financial consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial consulting agreement.

Pension Consulting Services

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

You may terminate the pension consulting services agreement upon 30 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the month or quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Darwin Legacy Model Platform

The Darwin Legacy Model Platform provides model strategies consisting exclusively of Darwin models. **Please note, the Darwin Legacy Model Platform is only available to clients who executed an advisory agreement with Darwin Wealth Management prior to October 5, 2022.** Under the Darwin Legacy Model Platform, you may be assessed an additional model fee up to a maximum of 0.75% based on the assets under management you have invested in the Darwin model(s). Our model fees are subject to change. For certain Darwin models, the additional model fee may be cheaper by participating in the Darwin Prime Model Platform below. For models that charge a higher fee, a conflict of interest exists as the company benefits financially from receiving higher fees. Please review this with your advisor so that you may select the model platform that best fits your needs. Darwin Aptus models are only available under the Darwin Legacy Model Platform. All model fees are in addition to your portfolio management fee. We have provided our model fees below:

Model Name	Model Group	Model Fee
*Darwin Aptus 10	Darwin Managed Risk	0.49%
*Darwin Aptus 30	Darwin Managed Risk	0.49%
*Darwin Aptus 45	Darwin Managed Risk	0.49%
*Darwin Aptus 5	Darwin Managed Risk	0.49%
*Darwin Aptus 60	Darwin Managed Risk	0.49%
*Darwin Aptus Tactical 30 UMA	Darwin Managed Risk	0.54%
*Darwin Aptus Tactical 45 UMA	Darwin Managed Risk	0.54%
*Darwin Aptus Tactical 60 UMA	Darwin Managed Risk	0.54%
Darwin Equity Growth	Darwin Equity	0.29%
Darwin Evolution 1	Darwin Evolution	0.29%
Darwin Evolution 2	Darwin Evolution	0.29%
Darwin Evolution 3	Darwin Evolution	0.29%
Darwin Evolution 4	Darwin Evolution	0.29%
Darwin Evolution 5	Darwin Evolution	0.29%
Darwin Evolution Lite 1	Darwin Evolution	0.29%
Darwin Evolution Lite 2	Darwin Evolution	0.29%
Darwin Evolution Lite 3	Darwin Evolution	0.29%
Darwin Evolution Lite 4	Darwin Evolution	0.29%
Darwin Evolution Lite 5	Darwin Evolution	0.29%
Darwin Evolution T1	Darwin Evolution	0.35%
Darwin Evolution T2	Darwin Evolution	0.35%

Darwin Evolution T3	Darwin Evolution	0.35%
Darwin Evolution T4	Darwin Evolution	0.35%
Darwin Evolution T5	Darwin Evolution	0.35%
Darwin Evolution X1	Darwin Evolution	0.29%
Darwin Evolution X2	Darwin Evolution	0.29%
Darwin Evolution X3	Darwin Evolution	0.29%
Darwin Evolution X4	Darwin Evolution	0.29%
Darwin Evolution X5	Darwin Evolution	0.29%
Darwin Extended Income	Darwin Income	0.29%
Darwin Sector Rotation	Darwin Equity	0.29%
Darwin Tactical Equity	Darwin Tactical	0.35%
Darwin Tactical Fixed Income	Darwin Tactical	0.35%
Darwin Tactical Growth - Aggressive	Darwin Tactical	0.35%
Darwin Tactical Growth - Conservative	Darwin Tactical	0.35%
Darwin Tactical Growth - Moderate	Darwin Tactical	0.35%
Darwin Tactical Growth - Moderate Aggressive	Darwin Tactical	0.35%
Darwin Tactical Growth - Moderate Conservative	Darwin Tactical	0.35%
Darwin Tax Advantaged	Darwin Income	0.10%

** Darwin Aptus models denoted above are only available under the Darwin Legacy Model Platform.*

Darwin Prime Model Platform

In contrast to the Darwin Legacy Model Platform mentioned above, the Darwin Prime Model Platform includes model strategies provided by Darwin and unaffiliated third-party asset managers, such as BlackRock, First Trust, and/or others. The Darwin Prime Model Platform is available to all existing clients (existing clients are those who executed an advisory agreement with Darwin Wealth Management prior to October 5, 2022) and is sole platform for all new clients from October 5, 2022 – forward. If you are an existing client and wish to participate in the Darwin Prime Model Platform, you will be required to execute an acknowledgement and your participation will apply across all accounts you hold with our firm, also known as “household” accounts. The firm will not allow clients to hold accounts in both the Darwin Legacy Model Platform and the Darwin Prime Model Platform simultaneously.

For all models available under the Darwin Prime Model Platform, a flat-rate additional model fee of 0.35% applies to the amount of assets under management you have invested in the model(s). This fee may be subject to change in the future. For existing clients who entered into an advisory relationship with Darwin Wealth Management prior to October 5, 2022, the flat-rate additional model fee may be more or less expensive than the additional model fees under the Darwin Legacy Model Platform. Please review this with your advisor. All model fees are in addition to your portfolio management fee.

Darwin Aptus models denoted above in the Darwin Legacy Model Platform are not available in the Darwin Prime Model Platform.

Flourish Crypto Fees

Clients that have a Flourish Crypto account will incur a transaction fee for each cryptocurrency transaction and will also pay an annual custody fee with respect to the cryptocurrency assets custodied in the account. These fees are provided to clients by Flourish/Paxos at the time she/he establishes an account with Flourish/Paxos.

Flourish Crypto Fees:

- Transaction fee 0.25% of traded value
- Custody fee 0.65% per annum

Clients pay 0.25% of the value of each trade in transaction costs. This fee is calculated, displayed and automatically paid whenever a trade is placed.

The custody fee is assessed on a quarterly basis and is calculated based on the daily average market value of cryptocurrency held in the Flourish Crypto account during the entire quarter, with each day's value assessed at 12 AM Coordinated Universal Time (UTC). This fee is not assessed on any US Dollar balances held in a Flourish Crypto account. Custody fees are first deducted from any available US Dollars in a Flourish Crypto account. If the custody fee is greater than the available US Dollar balance in the account, cryptocurrency will be automatically sold in order to cover the remaining fee. Sales of cryptocurrency to pay the custody fee are subject to transaction fees.

The transaction and custody fees are collected and set by Paxos and are subject to change at any time.

We charge our advisory fees on Flourish Crypto accounts based upon the account valuations we receive from Paxos, monthly in arrears by taking the average daily value of the account over the preceding month, with each day's value assessed at 12 AM UTC. Advisory fees are billed consistently with the advisory agreement between Darwin Wealth Management, LLC and Client. Please refer to the Discretionary Portfolio Management Agreement you executed with Darwin Wealth Management, LLC for the specific advisory fee schedule that is applicable to you.

Pontera Solutions Inc.

In March 2022, we began to utilize an online platform offered by Pontera Solutions Inc. (formerly FeeX), to provide us the ability to directly manage assets "held away", or rather, assets held outside of one's investment advisory account. Examples of a client's held away assets include, but are not necessarily limited to, 401k's, 403b's, employer-based retirement plans, and assets held directly at product manufacturers such as annuities, life insurance, mutual funds, 529 plans, but with some limitations set by Pontera. The client securely logs into the site and allows us to manage the accounts without us taking custody of the assets. The assets continue to remain within their held away accounts. Pontera charges us a percentage of assets under management annually. Pontera and Darwin Wealth Management are not affiliated companies.

If you wish for us to manage certain held away assets, we will combine those held away assets we manage with your investment advisory assets from an advisory fee billing perspective. The calculation of your monthly advisory fee will be calculated as described within Item 5, Portfolio Management Services section above.

Fee-based Annuities

In November of 2022, Darwin Wealth Management began to offer fee-based annuity products. We do not manage the investments or investment strategies within any fee-based annuity product. The issuing insurance company manages the investments and investment strategies within their products. If a product has multiple strategies or interest rate options, your adviser will help determine with one best fits your needs.

The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by the fee-based annuity (which are described in each annuity contract). In general, annuities may be subject to surrender fees, withdrawal fees or penalties, withdrawal limits, market value adjustments ("MVA's") or there may be other unique fees or expenses included within the product you choose. Clients should carefully review the annuity product's fees, expenses,

terms, and conditions with their adviser prior to purchase. These fees will generally include a management fee and other product specific expenses set forth by the issuing insurance company.

Annuities may not be available to all clients based on age limitation established by the insurance company. Further, there may also be certain limits set on how much or how little can be invested within the product. Your adviser will determine whether you qualify for a fee-based annuity.

Annuity contracts credit interest in various ways. Some annuity products may allow for certain indexed strategies whereby the ultimate performance is related to a specific market index (i.e., S&P 500). Insurance companies may set limits on the amount of interest you may gain. These limits may be referred to as interest rate caps. Conversely, some products may also similarly set limits on interest rate losses. Your annuity contract will cover all applicable interest crediting information. You should review this information with your adviser.

Cash Management Program

Darwin Wealth Management makes available to clients the FICA For Advisors cash management program ("FICA Program") offered by StoneCastle Network, LLC ("StoneCastle"), an affiliate of StoneCastle Cash Management, LLC. The FICA Program allows customers the ability to protect their money by placing it in deposit accounts at banks, savings institutions and credit unions (collectively, "Insured Depositories") in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Administration ("NCUA"), whichever is applicable. Funds will be deposited within StoneCastle's network of Insured Depositories ("Deposit Network"). StoneCastle requires no minimum deposit to open a FICA Program account. The firm may earn a fee from StoneCastle if clients participate in this program and this creates a conflict of interest as we have an incentive to recommend the FICA Program to you. However, we only recommend the purchase of products that are solely in your best interests, first and foremost. You are under no obligation, contractually or otherwise, to place your funds in the FICA Program. Our firm will assist clients in signing up for this program and facilitating the transfer of funds between the client's like-named accounts.

Compensation for the Sale of Securities or Other Investment Products

Insurance Company Products (not fee-based)

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Insurance Company Products (fee-based)

The firm receives compensation from the Issuer for selling fee-based annuities. This practice presents a conflict of interest because our firm has an incentive to recommend the fee-based annuity to you for the purpose of generating compensation rather than solely based on your needs. However, we only recommend the purchase of products that are solely in your best interests, first and foremost. You are under no obligation, contractually or otherwise, to purchase any type of annuity or insurance product through any person affiliated with our firm.

Structured Notes

In February 2022, we began to offer an unregistered structured note products issued by affiliates of Longevity Market Assets. For each structured note offering, Longevity Market Assets creates an

affiliate that is the ultimate issuer for each structured note series (i.e., LMATT Series 2024, Inc., LMA Income Series LP). If you are a qualified accredited investor and it is determined that the purchase of the structured note is in your best interest, your structured note purchase will be charged ongoing fees by the custodian, CNB Custody, a division of Community National Bank. Your adviser will provide the custodian's fee information prior to purchase. Fees charged by any custodian are subject to change at any point in the future. The firm receives compensation from the Issuer for selling structured notes. This practice presents a conflict of interest because our firm has an incentive to recommend the structured notes to you, if you are a qualified accredited investor, for the purpose of generating compensation rather than solely based on your needs. However, we only recommend the purchase of products that are solely in your best interests, first and foremost. You are under no obligation, contractually or otherwise, to purchase structured notes through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, high net worth individuals, and corporations or other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

Our Methods of Analysis and Investment Strategies

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

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

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

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry.

The resulting data is used to measure the true value of the company's stock compared to the current market value.

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

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

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

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

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

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

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

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

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

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

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

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations

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

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

Risk of Loss

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

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses.

The following risks may not be all-inclusive but should be considered carefully by a prospective client before retaining our services.

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

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

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

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

Recommendation of Particular Types of Securities

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

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

Annuity Products: Annuity products are tax-deferred insurance company products generally designed to provide a level of future income at a specific point or over a certain period of time during one's retirement. Since annuity products are tax-deferred, withdrawals may be subject to federal income taxes, and a 10% IRS early withdrawal tax penalty may also apply for amounts taken prior to age 59½. Early withdrawal may result in penalties, surrender charges, and/or a

market value adjustment. These charges may result in a loss of bonus, indexed interest and fixed interest, and a partial loss of your principal. Bonus annuities may include annuitization requirements, lower capped returns, or other restrictions that are not included in similar annuities that don't offer a premium bonus feature. Features, benefits and/or guarantees, if any, are backed by the financial strength and claims-paying ability of the issuing insurance company. Review disclosures of the specific insurance company illustration provided for any insurance product being proposed or recommended.

Annuity products may not be available in all states and the issuing insurance company may also set certain client age limits (typically up to age 85) and investment amount limits (typically up to \$1,000,000). Insurance companies may set certain interest earning limits on the indexed products they issue. These limits may be referred to as crediting rates, indexing methods, caps and/or spreads, and all vary by product and insurance company. Clients should carefully review all product information with their adviser prior to purchase. Additionally, clients should review the entire annuity contract once it has been issued by the insurance company. The annuity contract will detail the terms and conditions of the annuity you purchased. You should raise any questions you have about annuities and the annuity contract with your adviser.

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

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

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

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

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a

particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

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

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

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

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

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

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value. The option trading risks pertaining to options sellers are:
- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.

- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

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

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

Cryptocurrency: We offer eligible clients the opportunity to invest in cryptocurrency through a Flourish Crypto account. We also offer investment models that may incorporate cryptocurrency as part of the underlying investments. As described in Item 10, below, we are not an affiliate of or affiliated with Paxos or Flourish Digital Assets, the firms that offer Flourish Crypto.

As discussed below, the market for cryptocurrencies can be extremely volatile and subject to sudden and drastic price changes. We will monitor the cryptocurrency market during regular business hours on days in which the New York Stock Exchange is open and will not make investment recommendations or effect transactions outside of those times.

- Cryptocurrency is any form of virtual currency that uses a decentralized ledger to record transactions and manage the issuance of new units. Cryptocurrency is part of an emerging marketplace and is highly speculative. Investing in cryptocurrency (including through Flourish Crypto) is for investors who can bear the economic risk of loss of their investments. As with all investments, past performance or price movements are not guarantees of future price movements.
- Cryptocurrency investing is volatile and involves a high degree of risk. Risks associated with investing in cryptocurrency include, but are not limited to investment risk, volatility risk, liquidity risk, risks of disruption or interruption of access to your account, custody risk, regulatory risk and cybersecurity breaches.
- Investment Risk. Cryptocurrency prices are highly volatile and can quickly rise or fall dramatically. If you hold a position in cryptocurrency and the value of cryptocurrency falls,

you can lose money. You should carefully consider your financial circumstances and risk tolerance before investing in cryptocurrency, and you should not invest in cryptocurrency unless you have the financial capability to sustain losses if they occur. You may sustain a total loss of the value of any cryptocurrencies that you invest in.

- **Volatility Risk.** The market for cryptocurrencies can be extremely volatile. The prices of cryptocurrencies may be influenced by, among other things: the performance of the economy as a whole; new or amended government regulation; the changing supply and demand relationships for cryptocurrency, governmental, commercial and trade programs and policies; interest rates; technological developments; inflation; national and international political and economic events; statements by public figures; and social media sentiment.
- **Liquidity Risk.** Paxos is not obligated to provide quotes for cryptocurrencies at any time and neither Paxos nor Flourish Digital Assets can guarantee the continuous availability of quotations or trading for the cryptocurrencies that you invest in through your account. Paxos may in its sole discretion cease quoting cryptocurrencies and/or cease accepting cryptocurrency transactions at any time.
- **Risks of Disruption or Interruption of Access to Your Account.** Flourish Crypto and Paxos rely on computer software, hardware and telecommunications infrastructure and networking to provide their respective services to you. These computer-based systems and services are inherently vulnerable to disruption, delay or failure, which can cause you to lose access to the platform and/or your account and/or your ability to trade in your account. As a result, you could be unable to trade in cryptocurrencies and could miss an opportunity to purchase a cryptocurrency before a price increase or sell a cryptocurrency before a price decrease, which can negatively impact your returns or increase your losses.
- **Custody Risk.** Paxos is responsible for the custody and safekeeping of the cryptocurrency in your account. There is a risk that the cryptocurrency held by Paxos on behalf of you and other customers will be lost, stolen or damaged and that you will bear some or all of the impact of such events. There are many different scenarios that could result in the loss, theft or damage of cryptocurrency held by Paxos, including fraudulent, malicious or negligent acts by employees, agents or service providers of Paxos; cyberattacks or other attacks or thefts by third parties; natural disasters such as fires, floods, hurricanes and earthquakes; acts of God; acts of war or terrorism; riots or other civil unrest; and failures of or errors by computer systems or software.
- **Regulatory Risk.** The legal framework around cryptocurrencies in both the United States and other countries is continuously evolving. New laws and regulations, which could include restrictions or bans on cryptocurrency ownership or transactions in one or more jurisdictions, can have significant impacts on the utility of one or more cryptocurrencies and their value or market price.
- **Other Risks.** Cryptocurrencies are subject to additional risks, including but not limited to the following:
 - Cryptocurrencies are not legal tender and not backed by the government;
 - Legislation and regulation (or lack thereof) of cryptocurrency or crypto exchanges can change at any time which may adversely affect the use, transfer, exchange, and/or value of cryptocurrencies;
 - Once executed, a cryptocurrency transaction may be irreversible, and accordingly, losses due to fraudulent or accidental transactions may not be recoverable;

- Some cryptocurrency transactions shall be deemed to be made when recorded on a public ledger (e.g., a blockchain), which is not necessarily the date or time that the customer initiates the transaction;
- The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may result in the potential for permanent and total loss of value of a particular cryptocurrency should the market for cryptocurrencies collapse;
- There is no assurance that a person who accepts a cryptocurrency as a payment today will continue to do so in the future;
- The volatility and unpredictability of the price of cryptocurrency relative to fiat currency may result in significant loss over a short period of time;
- The value of a particular cryptocurrency may fall at any time, if, for example a new, better cryptocurrency is created, or software developers make unexpected changes to how the cryptocurrency works; and
- As cryptocurrency is a digital currency and therefore intangible. This means that, like any other digital system, cryptocurrencies are at risk of fraud, cyber-attacks, and being affected by technical problems or difficulties which could result in you losing your crypto assets or delaying or preventing your ability to access or use them.

Cryptocurrency is not covered by the FDIC or SIPC. Any cryptocurrency positions in your Flourish Crypto accounts are not eligible for Federal Deposit Insurance Corporation (FDIC) insurance, coverage by the Securities Investor Protection Corporation (SIPC) or any other insurance, protection or coverage by any other government or government agency.

Structured Notes - Structured Products: Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. 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. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. 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, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity).

Risks Related to Private Placement (Unregistered) Structured Notes

No public market exists for a private placement structured note and private placement structured notes are subject to transfer restrictions. Prior to the Offering, there has been no market for private placement structured notes. Private placement structured notes are not and will not be registered under the Securities Act or any state securities law and, as a result, are subject to certain restrictions on transfer. See "Purchase and Transfer Restrictions."

If a trading market does develop, general market conditions and unpredictable factors could adversely affect the market price for the private placement structure note. For example, the

private placement structure note could trade at a substantial discount from their face amount. Several factors, many of which are beyond the control of the Issuer, will influence the market value of the private placement structure note. Factors that might influence the market value of the private placement structure note include, but are not limited to:

- the creditworthiness, financial condition, performance and prospects of the Issuer;
- general interest rate levels;
- the market for similar securities; and
- economic, financial, geopolitical, regulatory or judicial events that affect the Issuer or the financial markets or life insurance industry generally.

If a market for the private placement structure note does not develop, or if market conditions change, purchasers may be unable to resell the private placement structure note for an extended period of time, if at all. Consequently, a purchaser may not be able to liquidate its investment readily, and the private placement structure note may not be readily accepted as collateral for loans.

Market upside capture is based on the time in which the investment is made and the performance of the market over the investment time period. The upside potential for an investment in the private placement structure note is limited by the performance of the Market Measure. In addition, payments on the private placement structure note, including any repayments of principal, are subject to the risk of the underlying assets held by the Issuer. Changes in the underlying value of the assets of Issuer are expected to affect the value of the private placement structure note.

Risks Related to Collateral Backed Securities Generally (Risks Related to private placement structure note)

- *The Legal and Regulatory Environment for Collateral Backed Securities is highly regulated* - The legal and regulatory environment worldwide for collateral backed securities (such as the private placement structure note) is evolving. Changes in the regulation of collateral backed securities, their issuers, and their investing activities may have a material adverse effect on the ability of the Issuer to pursue its investment program and the value of investments held by the Issuer. There has been an increase in scrutiny of collateral backed securities by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Issuer to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Issuer. Because neither the Issuer nor the private placement structure note are not registered with the SEC, Regulation AB will not apply to the private placement structure note.
- *Systemic Risk* - Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Issuer interacts, as well as the Issuer, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Issuer and on the markets for the investments in which the Issuer seeks to invest.
- *Assumption of Business, Terrorism and Catastrophe Risks* - The Issuer may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other

catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Issuer. The Issuer is subject to the risk of disruption by earthquakes, floods and other natural disasters, fire, power shortages, geopolitical unrest, war, terrorist attacks and other hostile acts, public health issues, epidemics or pandemics and other events beyond our control and the control of the third parties on which we depend. Any of these catastrophic events, whether in the United States or abroad, may have a strong negative impact on the global economy, our employees, facilities, partners, or investors, and could decrease demand for our Interests, create delays and inefficiencies in our business operations and make it difficult or impossible for us to conduct our business in the ordinary and normal course.

For example, the business of the Issuer could be adversely affected by the effects of a widespread outbreak of contagious disease, including the recent outbreak of respiratory illness caused by a novel coronavirus first identified in Wuhan, Hubei Province, China. Any outbreak of contagious diseases, and other adverse public health developments, particularly in the United States, could have a material and adverse effect on our business operations. These could include disruptions or restrictions on our ability to source Life Settlement Policies, as well as temporary closures of our facilities and the facilities of our third-party service providers. Any disruption or delay of our third-party service providers would likely impact our operating results and the ability of the Issuer to continue as a going concern. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of the United States and throughout the world, resulting in an economic downturn that could affect demand for the Interests and significantly impact the Issuer's operating results.

Risks Relating to the Management of the Issuer and Sponsor (Risks Related to private placement structure note)

- *Limited Operating History* - The Issuer and the Sponsor are each relatively-recently formed entities and do not have an operating history upon which prospective private placement structure note holders can evaluate their anticipated performance. Neither the Sponsor nor its investment professionals have previously operated any investment vehicles similar to the Issuer. Additionally, while Longevity Market Axxess has designed the valuation and investment strategies and methodologies to be used by the Issuer prior to launching the Issuer, they had not previously used the valuation and investment strategies or methodologies to manage third-party capital. The investment professionals of the Sponsor have been using investment strategies similar to the principal investment strategies described herein for several years. However, there can be no assurance that the Issuer or the Sponsor will be successful.
- *Dependence on Service Providers* - The Issuer is also dependent upon its counterparties and the businesses that are not controlled by the Sponsor that provide services to the Issuer (collectively, the "Service Providers"). Examples of Service Providers include Longevity Market Axxess, Longevity Market Technologies, LMX Series, LLC, Longevity Market Admin, Securities Intermediaries, Legal Counsel and the Auditors (each, as defined below). Errors are inherent in the business and operations of any business, and, although the Sponsor will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Issuer and the private placement structure note Holders' investments therein.

As the Issuer has no employees, the Issuer is reliant on the performance of the Service Providers. Each private placement structure note holder's relationship in respect of its private

placement structure note is with the Issuer only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no private placement structure note holder will have any contractual claim against any Service Provider for any reason related to its services to the Issuer. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Issuer by the relevant Service Provider is, *prima facie*, the Issuer.

The Issuer depends significantly on the Sponsor to sources and evaluate longevity assets which may be invested in by the Issuer. To the extent that the Sponsor is unable or unwilling to provide an adequate flow of longevity assets for investment, the Issuer may be unable to realize its investment objectives.

- *Retention and Motivation of Employees* - The success of the Issuer is dependent upon the talents and efforts of highly skilled individuals employed by the Sponsor and the Sponsor's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Sponsor's professionals will continue to be associated with the Sponsor throughout the life of the Issuer, and the failure to attract or retain such investment professionals could have a material adverse effect on the Issuer. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Sponsor's investment professionals could be replaced.
- *Increased Regulatory Oversight* - Increased regulation (whether promulgated under insurance laws or any other applicable law) and regulatory oversight of and changes in law applicable to life settlements or private investment funds and their managers may impose administrative burdens on the Sponsor, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Sponsor's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.
- *Effect of Substantial Losses or Withdrawals* - If, due to extraordinary market conditions or other reasons, the Issuer and other private investment funds managed by the Sponsor were to incur substantial losses, the revenues of the Sponsor may decline substantially. Such losses may hamper the Sponsor's ability to: (i) retain employees, (ii) provide the same level of service to the Issuer as it has in the past, and (iii) continue operations.
- *Increasing Assets Under Management* - The rates of return achieved by trading advisers or managers often diminish as the assets under their management increase. The Sponsor has not agreed to limit the amount of capital it will manage.

Risks Relating to the Structure of the Issuer (Risks Related to private placement structure note)

- *Significant Fees and Expenses* - The fees and expenses of the Issuer may be significant. The Issuer must generate sufficient income to offset such fees and expenses to avoid a decrease in the value of the Issuer.
- *Absence of Regulatory Oversight Over the Issuer* - The Issuer and the private placement structure notes are not expected to be registered under the securities laws of the United States, any state or any country. In particular, the Issuer will not be registered as an investment company under the Company Act, and, therefore, will not be required to adhere to

the restrictions and requirements under the Company Act, nor will the Issuer or the Sponsor be registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Accordingly, the provisions of the Company Act (which, among other things, require investment companies to have a majority of disinterested directors, prohibit the investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) and the Advisers Act are not applicable.

- *Limited Liquidity* - An investment in the Issuer has extremely limited liquidity. private placement structure note holders must be prepared to bear the financial risks of an investment in the Issuer for an indefinite period of time.
- *Access to Information* - Prospective private placement structure note holders and private placement structure note holders will not have sufficient information to analyze or evaluate in detail the specific risks and potential returns of the Issuer’s investment program prospectively. While the Sponsor intends to provide quarterly valuation reports to the private placement structure note holders, it will generally not provide any advance notice of anticipated changes in the composition of the Issuer’s portfolio. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Issuer and the Sponsor may provide additional information to certain private placement structure note holders and prospective private placement structure note holders that is not distributed to other private placement structure note holders and prospective private placement structure note holders. Each private placement structure note holder is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Sponsor and the Issuer is sufficient for its needs and must accept the foregoing risks.
- *Governmental Entity Investors* - Governmental entities, including pension plans maintained by governmental agencies and instrumentalities, may invest in the Issuer. Such investors may be subject to laws that affect the applicability or enforcement of certain terms generally governing the Issuer. For example, exculpation, indemnification, confidentiality, choice of law and choice of venue provisions may be applied differently with respect to such investors. In addition, investment in the Issuer by certain governmental entities may subject the Issuer and/or the Sponsor to increased regulatory burdens and public disclosures about the Issuer, its investors and its activities.

Risks Relating to the Operations and Investment Activities of the Issuer (Risks Related to private placement structure note)

- *Systems and Operational Risks Generally* - The Issuer depends on the Sponsor to develop and implement appropriate systems for the Issuer’s activities. The Issuer relies heavily and on a daily basis on accounting and other data processing systems to price and close transactions, to evaluate certain investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Issuer’s activities. In addition, the Issuer relies on information systems to store sensitive information about the Issuer, the Sponsor, their affiliates, and its investments. Certain of the Issuer’s and the Sponsor’s activities will be dependent upon systems operated by third parties, including the Servicing and Tracking Agent, market counterparties and other Service Providers, and the Sponsor may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Sponsor, the Issuer, Sponsor, and other Service Providers, counterparties, and other parties could result in mistakes made in the evaluation, acquisition, maintenance, tracking and collection of longevity-linked investments. Disruptions in the Issuer’s operations may cause the Issuer to suffer, among other things, financial loss, the disruption of its business,

liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Issuer.

- *Longevity Market Technology™ Risk* - The Issuer relies on the services of Longevity Market Technologies, and its proprietary portfolio management technology, Longevity Market Methodology™, which is a derivation of Q Methodology™, technology originally developed by an independent research firm, The Q Consulting Group. Longevity Market Technologies is a joint venture entered into between The Q Consulting Group and Longevity Market Access. Longevity Market Methodology™ has been developed to support the valuation of Longevity Assets and is provided exclusively to the Issuer by Longevity Market Technologies. By leveraging state-of-the-art capabilities in computational technology, Longevity Market Technologies, LLC believes that Longevity Market Methodology™ offers increased and more precise risk estimates than traditional portfolio management theory. As a result, this methodology can be used on longevity assets to identify the best risk/reward profiles candidates, and a more efficient use of capital-at-risk. While the Longevity Market Methodology™ has been developed specifically to support the valuation of Longevity Assets, the Issuer's portfolio will be the initial application of the Longevity Market Methodology™ with respect to Longevity Assets. There can be no assurances that Longevity Market Methodology™ will result in the expected performance of the Issuer's portfolio.
- *Cybersecurity Risk* - As part of its business, the Sponsor processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Issuer and personally identifiable information of the private placement structure note Holders and insureds named in Life Settlement Policies and certain of their family members. Similarly, service providers of the Sponsor or the Issuer, especially the Sponsor and the Servicing and Tracking Agent, may process, store and transmit such information. The Sponsor has, and the Sponsor believes that each Service Provider has, procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Sponsor may be susceptible to compromise, leading to a breach of the Sponsor's network. The Sponsor's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats.

The Service Providers of the Sponsor and the Issuer are subject to the same electronic information security threats as the Sponsor. If a Service Provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Issuer and personally identifiable information of the private placement structure note Holders and insureds named in the Life Settlement Policies may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Sponsor's or the Issuer's proprietary information may cause the Sponsor or the Issuer to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Issuer.

- *The Longevity Market is Volatile and Competitive* - The market for insurance company liabilities is a relatively new and rapidly developing market within the financial services sector. Although

it has grown substantially in the past several years, how and to what extent it will continue to develop is uncertain. As more investment funds flow into the market, margins may tighten and the value of the collateral may become comparatively more expensive to purchase or subject to greater competition on the purchase side. There can be no assurance that the market for insurance company liabilities will be available to the Issuer on satisfactory or competitive terms.

- *Valuation of Longevity Assets* - The Issuer's assets and liabilities are valued by the Sponsor pursuant to the Sponsor's internal valuation procedures, as the same may be amended from time to time in its sole discretion (the "Valuation Policy"). The valuation of any asset involves inherent uncertainty, and all values assigned to the collateral in accordance with the Valuation Policy are final and conclusive. There is no guarantee that the value determined with respect to a particular insurance company liability purchased by the Issuer will represent the value that will be realized by the Issuer on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment or that such valuation accurately reflects the current present value of such asset at its actual maturity. The Valuation Policy, and procedures adopted by the Sponsor relating to the implementation of the Valuation Policy, are subject to change and may be revised from time to time. Such uncertainties as to the valuation of the longevity assets could have an impact on the net asset value of the Issuer and require adjustments to reported net asset values (i.e., if the earlier judgments of the Sponsor regarding the appropriate valuation should prove to be incorrect).
- *GAAP Net Asset Value Divergence* - Due to GAAP requirements, the net asset value of the Issuer for purposes of GAAP-compliant financial reporting may diverge from the net asset value of the Issuer for all other purposes, including for example, in connection with the amortization of the organizational and initial offering expenses of the Issuer, the measuring of fair value (as a result of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820), or the recognition or unrecognized of uncertain tax positions (as a result of FASB ASC 740).

Risks Relating to Investment Strategies (Risks Related to private placement structure note)

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. No guarantee or representation is made that the Issuer's investment program, including the Issuer's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

- *Diversification and Concentration* - No assurance can be given that the Issuer's investment portfolio will appreciate in value or that investors in the Issuer will realize any return on their purchase of Interests. The Issuer intends to diversify the portfolio of assets acquired under its investment program by acquiring such assets from a diversified group of companies. There can be no assurance that the Issuer will be able to achieve sufficient diversification in the acquisition of the assets.
- *Borrowings by the Issuer: Use of Leverage* - When deemed appropriate by the Sponsor and subject to applicable laws and regulations, the Issuer may incur leverage in its portfolio by borrowing money from banks or other institutions. Such leverage will create certain risks, including, without limitation, greater potential for loss of capital. The Issuer may be required to provide collateral to the entity from which it borrows to secure the loan by registering or pledging the interests or assets of the Issuer. This procedure exposes the Issuer to the risk that for whatever reason, including, without limitation, the default, insolvency, negligence, misconduct or fraud of such institutions, the Issuer will not reacquire the ownership of such interests upon the repayment by the Issuer of the secured loan. Also, the Issuer will be unable

to reacquire such interests if the Issuer defaults on a loan. The Issuer's failure or inability to reacquire such interests from the institutions in whose name the interests are registered in support of a secured loan could entangle the Issuer in protracted litigation and, potentially, result in the complete loss of such interests. While the Issuer expects to borrow money only from institutions the Sponsor believes to be creditworthy, there can be no absolute certainty that such institutions will return such interests to the Issuer upon the repayment of such secured loans.

The Issuer does not have a limit on the amount of leverage which it can incur. If the amount of leverage which the Issuer may have outstanding at any one time is large in relation to its capital, fluctuations in the performance of the Issuer's portfolio will have disproportionately large effects in relation to the Issuer's capital and the possibilities for profit and the risk of loss will therefore be increased. Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

- *Discretion of the Sponsor; New Strategies and Techniques* - While the Sponsor will generally seek to employ the representative investment strategies and techniques discussed herein, the Sponsor (subject to the policies and control of the Sponsor) has the right to modify the investment strategies and techniques of the Issuer without the consent of the private placement structure note Holders. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in losses to the Issuer. In addition, any new investment strategy or technique developed by the Issuer may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Issuer.
- *Uncertainty of Longevity Market* - Demand for and pricing of Insurance Company Liabilities depends significantly on, among other things, the health, medical condition and estimated lifespan of the insured; mortality tables then in use by the industry; changes in general economic conditions, including interest rates, inflation rates, government regulations, overall industry conditions (with significant capital being deployed in this space over the past few years), political conditions, volatility in the financial markets, and the legislative and regulatory environment. Accordingly, the Issuer may not be successful in its attempts to identify suitable assets and acquire them. If the Issuer succeeds in acquiring insurance company liabilities, these same factors affecting demand for and pricing of these assets may make it difficult for the Issuer to dispose of such assets. The market for insurance company liabilities is not liquid and is uncertain. These uncertainties may result in the Issuer paying too much for the longevity asset or selling the longevity asset at prices below its acquisition cost. Furthermore, should the Issuer need to sell the longevity asset for liquidity reasons it may not be able to do so at prices acceptable to the Sponsor or at all. All of the foregoing could adversely affect the Issuer's ability to execute its investment strategy and meet its investment objective.
- *Risk of Issuer Funding Future Costs* - In order to realize on its investment in longevity assets and insurance company liabilities, the Issuer must ensure that the assets remain in force until each such asset matures or is sold by the Issuer. Failure by the Issuer to pay future costs on the insurance company liabilities when due will result in termination of the insurance company liability and will result in the loss of the Issuer's investment in such insurance company liability. The Issuer will be relying on the Servicer to determine future cost requirements, and the Issuer must in turn build those requirements into its projection of cost for a given longevity asset. The

Issuer may reserve funds for paying some future liabilities. The Sponsor will be generally responsible for tracking payments requirements so that payments for the longevity assets are paid on schedule.

- *Liquidity Risk* - In many cases liquidations may not be a viable option to meet the Issuer's liquidity because of, among other things: (1) the lack of a market liquidity for the collateral; (2) the uncertainties surrounding the liquidation value of the collateral; (3) the extensive amount of time and effort it might take to sell the longevity assets.

A method of mitigating liquidity risks is for the Issuer to have adequate cash in reserve to meet short-term cash flow needs. The disadvantage of this is that a large amount of cash in reserve reduces the amount of assets that the Issuer can acquire for its portfolio and therefore the potential returns.

- *Increased costs for Acquired Insurance Company Liabilities* - For any insurance company liability that may be obtained by the Issuer, the Issuer will be responsible for maintaining the assets, including paying future insurance liabilities. If a life insurance company increases the cost of insurance charged for any of the insurance company liabilities, the amounts required to be paid for insurance cost due for these liabilities may increase, requiring the Issuer to incur additional costs for the liabilities which may adversely and materially affect returns on such liabilities and consequently reduce the value of such liabilities.
- *Credit Risk of Insurance Companies* - The Issuer will assume the credit risk associated with insurance company liabilities issued by various life insurance companies. The failure or bankruptcy of any such life insurance company could have a material adverse impact on the Issuer's ability to achieve its investment objectives and meet its obligation to Note Holders. A life insurance company's business tends to track general economic and market conditions that are beyond its control, including extended economic recessions, interest rate changes, the subprime lending market crisis or changes in investor perceptions regarding the strength of insurers generally and the life insurance policies or annuities they offer. Adverse economic factors and volatility in the financial markets may have a material adverse effect on a life insurance company's business obligation to pay the longevity asset at maturity.
- *Longevity Market Variables* - The Issuer's investments will constitute a pool of longevity assets with distinct terms and provisions with respect to the purchase price. As each investment will be evaluated individually as a potential investment, a projection of overall yield for the entire pool of assets may not be accurate and, consequently, the proceeds of the assets may be realized over a longer time than projected.
- *Overall Transaction Risks* - Despite the good faith efforts of the Sponsor in selecting what it believes to be suitable investments for the Issuer's investment program, there can be no assurance that the program will perform as anticipated. The Issuer's goal is to reduce, to the extent possible, controllable risks relating to insurance company liabilities, with the understanding that determining the exact time that such assets reach maturity.
- *Tax-related Risks* - The U.S. federal income tax consequences of an investment in the private placement structure note are uncertain and may be adverse to a holder of the private placement structure note. There is no direct legal authority regarding the proper U.S. federal income tax treatment of the private placement structure note, and Issuer does not plan to request a ruling from the U.S. Internal Revenue Service (the "IRS"). Consequently, significant aspects of the tax treatment of the private placement structure note are uncertain, and the IRS or a court might not agree with the Issuer's treatment of the private placement structure note as prepaid financial contracts that are not debt, as described in the section of

this Private Placement Memorandum entitled "Certain U.S. Federal Income Tax Considerations." If the IRS were successful in asserting an alternative treatment, the tax consequences of your ownership and disposition of the private placement structure note could be materially and adversely affected. In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting public comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the private placement structure note, possibly with retroactive effect. You should review the discussion under "Certain U.S. Federal Income Tax Considerations" and consult your tax advisor regarding the U.S. federal tax consequences of an investment in the private placement structure note, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Affiliated Registered Investment Adviser

We are affiliated with Darwin Asset Management, LLC ("DAM") through common control and ownership. DAM is a federally registered investment adviser. DAM is an asset manager designed to provide sub-advisory services to other registered investment advisers. DAM manages the Darwin models listed in Item 5. We will recommend that you use the services of our affiliate if appropriate and suitable for your needs. Our advisory services and fees are separate and distinct from the advisory fees paid to our affiliate for their services.

Affiliated Insurance Agency

Through common control and ownership, we are affiliated with Darwin Insurance Group, LLC, an insurance agency. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Recommendation of Other Advisers

We may recommend that you use a third-party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM

for recommending that you use their services. However, we do have other business relationships with our recommended TPMM(s). Specifically, GeoWealth, which provides us with billing services and other back-office assistance. Furthermore, as part of your relationship with Betterment and Betterment Securities, Betterment may offer us services intended to help us manage and further develop our business enterprise, such as access to webinars and advice about using the Betterment for Advisors platform to grow our business. Betterment may offer different or expanded services in the future. This creates a conflict of interest, as these services could incentivize us to recommend that you invest through the Betterment for Advisors platform. However, as a fiduciary, we will always act in your best interests.

Cryptocurrency

As detailed within this brochure, we offer certain eligible clients the opportunity to invest in cryptocurrency through an account with Flourish Crypto. Flourish Crypto is offered by Paxos, which provides custody and execution services for Flourish Crypto accounts. Flourish Digital Assets, which is registered in New York as a commodity broker-dealer, provides website and other technology services and support for Flourish Crypto accounts. Paxos and Flourish Digital are not affiliates of one another nor are they affiliates of Darwin Wealth Management.

Structured Notes

As detailed within this brochure, we offer certain eligible accredited investors the opportunity to invest in private placement structured note product issued by Longevity Market Assets (via affiliated Longevity Market Asset issuers: LMATT Series 2024, LMA Income Series LP, or other related issuers in the future). Wells Fargo Bank and Wilmington Trust provide custodian services to Longevity Market Assets. Wells Fargo Bank, Wilmington Trust, Longevity Market Assets are not affiliates of one another nor are they affiliates of Darwin Wealth Management. CNB Custody, a division of Community National Bank, serves as the custodian for Longevity Market Assets products purchased by Darwin Wealth Management clients.

Fee-Based Annuities

As detailed within this brochure, we offer certain eligible clients the opportunity to purchase fee-based annuities issued by insurance companies. The client's assets are held at the insurance company and all fee-based annuities are subject to certain terms and conditions set forth by the issuing insurance company. Darwin Wealth Management is not affiliated with any insurance company. Investment adviser representatives who wish to offer fee-based annuities are required to be dually qualified as an adviser and insurance agent in the state where they offer the product.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy to act in your best interests and as such, neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Aggregated Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade, Inc. and Fidelity Brokerage Services, LLC (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Web-Based Portfolio Management Services

In order to participate in our *Web-Based Portfolio Management Services*, you are required to use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of the SIPC, as the qualified custodian. Betterment Securities is responsible for execution of securities transactions and maintains custody of customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Appointing Betterment Securities as the broker for your accounts held at

Betterment may result in receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If you do not wish to place assets with or execute trades through Betterment Securities, then Betterment cannot manage your accounts on the Betterment for Advisors platform.

Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

TD Ameritrade Institutional

We participate in the institutional adviser program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to aggregated trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself

creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner.

Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Cryptocurrency

We offer discretionary Flourish Crypto accounts to clients and have the authority to trade the account. However, clients always retain the ability to trade within their own account. The minimum order size is \$100 in value, and the maximum order size is \$100,000 in value. As part of its oversight of cryptocurrency trading through Flourish Crypto, we periodically review reports provided by Paxos or Flourish Digital Assets summarizing transaction prices compared to market prices for similar transactions. We do not perform independent transaction analysis.

Transactions effected through Flourish Crypto accounts are executed solely through Paxos. We will not use, or offer clients the opportunity to use, any other custodians, platforms, or exchanges for transactions in a Flourish Crypto account. We have chosen Paxos after considering several factors in comparison to other providers, including the reasonableness of fees, execution ability, security, quality of service and overall user experience. We made this determination after conducting reasonable due diligence of Paxos.

Item 13 Review of Accounts

Portfolio Management Account Reviews

Your Investment Adviser Representative will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm. These reviews may be done in person, virtually or over the phone.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Financial Planning Account Reviews

Your Investment Adviser Representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then current hourly rate. We will not provide regular written reports for financial planning and consulting services. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

TD Ameritrade Institutional Customer Program

As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we may recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to

aggregated trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

Incentive Based Compensation

We have entered into contractual arrangements with an employee of our firm, under which the individual receives compensation from us for the establishment of new client relationships. Employees who refer clients to us must comply with the requirements of the jurisdictions where they operate. The compensation consists of a one-time, flat referral fee upon your signing our advisory agreement. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation is contingent upon you entering into an advisory agreement with us. Therefore, the individual has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Web-Based Portfolio Management Services - Betterment Custody Services

Betterment Securities maintains custody of your assets that are managed by Betterment via the Betterment for Advisors platform. Your account statements are available for review on the activity section of the Betterment for Advisors client portal. You will receive periodic emails from Betterment

with information about your account(s) as well as links to account statements. We encourage you to promptly and carefully review those statements.

Standing Letter of Authorizations ("SLOAs")

Our firm, or persons associated with our firm, may affect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Cryptocurrency

We offer certain eligible clients the opportunity to invest in cryptocurrency through an account with Flourish Crypto. Custody of Flourish Crypto accounts, including all assets in the accounts, and cryptocurrency trading services are provided by Paxos. Paxos is a New York limited purpose trust company regulated by the New York Department of Financial Services. We do not have custody of client assets maintained in a Flourish Crypto account. Clients are solely responsible for facilitating the funding of their Flourish Crypto account and directing the movements of their funds between their respective bank account(s) and their Flourish Crypto account. Clients can access account statements for their Flourish Crypto accounts through the Flourish Platform.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Web-Based Portfolio Management Services

For assets managed on the Betterment for Advisors platform, you delegate to Betterment the authority to receive and vote all proxies and related materials. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Additional information about proxy matters is contained in Betterment's Form ADV Part 2A.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we

operate under certain rules that require us to act in your best interest and not put our interests ahead of yours. Therefore, 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.

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

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.

4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.