

**Item 1: Cover Page**

**Part 2A of Form ADV  
Firm Brochure**

March 20, 2023



CRD No. 170087

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This brochure provides information about the qualifications and business practices of Levin Funding Group LLC. If you have any questions about the contents of this brochure, please contact us at (520) 751-2000. 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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Levin Funding Group LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Levin Funding Group LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Levin Funding is 170087.

## **Item 2: Material Changes**

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. This annual updating amendment reflects the following change to our Brochure:

- ❖ We have corrected the name of our affiliated insurance entity.
- ❖ Item 14 has been updated to reflect the term promoter.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting our Chief Compliance Officer, Kimberlee Levin at (520) 751-2000.

(Brochure Date: March 20, 2023)

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**Item 4: Advisory Business****A. Levin Funding Group LLC**

Levin Funding Group LLC (“LFG” and/or “the firm”) is an Arizona limited liability company principally owned by the John and Kimberly Levin Exempt Trust dated 12/14/2017. John D. Levin is the firm’s Managing Member. LFG has been providing investment advisory services since January 2014.

**B. Advisory Services Offered****B.1. Investment Management Services**

LFG manages investment portfolios for individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses. LFG will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. LFG evaluates the client's existing investments with respect to the client's investment policy statement. LFG works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by LFG. LFG will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

LFG will typically create a portfolio of no-load mutual funds, exchange traded funds (ETFs) and individual securities and may use model portfolios if the models match the client's investment policy. LFG will allocate the client's assets among various investments, taking into consideration the overall management style selected by the client. LFG primarily recommends portfolios consisting of passively managed asset class and index mutual funds. LFG recommends mutual funds and/ETFs offered by Vanguard, Dimensional Fund Advisors (DFA) and other fund families. Mutual funds and ETFs that follow a passive investment philosophy generally have low holdings turnover. Client portfolios may also include individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically request they be retained for a personal reason. These situations will be specifically identified in the client’s Investment Policy Statement (IPS).

**Financial Planning & Consulting**

LFG offers different levels of financial planning and consulting services to help clients identify, prioritize and work towards their goals and objectives. Our consulting services give clients the ability to receive a broad range of financial advice and services. Our process starts with an extensive review of a client’s family situation, which includes assets and liabilities as well as estate, tax, and insurance needs. We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes, along with changes in cash flow needs, risk tolerance, time horizon, or investment objectives. Additionally, LFG can also provide consultation and review services on a client’s existing insurance products.

In performing these services, LFG is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information.

Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial adviser to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of LFG. LFG will act solely in its capacity

as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary.

### **Independent Third-party Managers**

LFG can select certain Independent Managers to actively manage a Portion of its clients' assets. Pursuant to the terms of the investment advisory agreement, LFG shall have discretion to appoint and terminate these third-party managers. Disclosure of the use of an Independent Manager and their fees will be provided to clients. LFA can use SEI, Dimensional Fund Advisers, LP or Parametric (Sub-Adviser") for sub-advisory services to separately managed portfolios. Sub-Adviser shall be responsible for the investment and reinvestment of those assets in the client's accounts. The Sub-Adviser shall manage the assets in accordance with the investment strategy and any customization selected by LFG for each client account. Use of Independent Managers can result in additional fees to the client.

LFG will continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which LFG will receive an annual advisory fee.

Factors that LFG will consider in recommending Independent Manager(s) include the client's stated investment objective(s) and the independent manager(s) management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to LFG's written disclosure statement, the client will also receive the written disclosure statement of the Independent Manager(s). Certain Independent Manager(s) will impose more restrictive account requirements and varying billing practices than LFG. In such instances, LFG may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s).

LFG's engagement with a client will include, as appropriate, the following:

- Providing assistance in reviewing the client's current investment portfolio against the client's personal and financial circumstances as disclosed to LFG in response to a questionnaire and/or in discussions with the client and reviewed in meetings with LFG.
- Analyzing the client's financial circumstances, investment holdings and strategy, and goals.
- Providing assistance in identifying a targeted asset allocation and portfolio design.
- Implementing and/or recommending individual equity and fixed income securities, mutual funds, ETFs and alternative investments
- Proposing changes in the client's investment portfolio in consideration of changes in the client's personal circumstances, investment objectives and tolerance for risk.

In addition to providing LFG with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients can provide the firm with reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify the firm of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. LFG will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account. LFG will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

**D. Wrap Fee Programs**

LFG is not involved with any wrap-fee programs.

**E. Client Assets Under Management**

As of December 31, 2022, LFG manages \$129,532,194 of discretionary assets under management and no assets on a non-discretionary basis.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

When a client engages LFG to provide investment management services, LFG shall do so on a fee-only basis. LFG will charge an annual fee based upon a percentage of the market value of the assets being managed by LFG. Fees can be negotiated. The following are the fees charged by LFG for services provided:

<u>Account Value</u>	<u>Annual Fee</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Next \$1,000,000	0.60%
Next \$1,000,000	0.50%
Next \$1,000,000	0.40%
\$5,000,000+	0.25%

Independent Managers and Sub-Advisors will charge an additional fee for their advisory services. Such advisors may impose a minimum portfolio size, minimum fee, or otherwise condition the provision of investment advisory services. Sub-Adviser's annual fees for investment management shall generally be 0.18% for Dimensional Fund Advisers or 0.35% for Parametric. Such annual fees shall be pro-rated and paid quarterly, in arrears, or in advance, to Sub-Adviser depending on the client relationship. Please refer to such manager's ADV Part 2A Brochure for specific information.

Asset-based fees are always subject to the investment advisory agreement between the client and LFG. Such fees are payable quarterly either in advance or arrears. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar month. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

### Financial Planning and Consulting Services

Fees for financial planning and/or consulting services can be billed on a project, fixed rate, or an hourly rate. The fee for these services will be determined and agreed upon within the agreement between the parties. LFG will require a retainer for the services which is payable upon entering the agreement. The balance of the fee is due and payable upon receipt of the final consulting or planning services. Based on the task(s) to be performed, LFG and the client may agree on a fixed fee based on an estimate of the number of hours necessary for completion.

### B. Client Payment of Fees

Client fees will be billed quarterly in advance. LFG's fees will either be paid directly by the client or pursuant to the authorization within the investment advisory agreement, disbursed to LFG by the qualified custodian of the client's investment accounts. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

The client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days' written notice. Upon termination, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

LFG generally requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for fees. For directly debited fees, the

custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

LFG will deduct its advisory fees directly from the client's account pursuant the advisory agreement signed by the client. Please note the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account, including all quarterly fees. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

### **Financial Planning and Consulting Services**

Fees for financial planning and/or consulting services can be billed on a project, fixed rate, or an hourly rate. We requires a retainer for the services, which is payable upon entering the agreement. The balance of the fee is due and payable upon receipt of the final consulting or planning services. LFG may agree with clients to charge fixed fees for consulting. Based on the task(s) to be performed, LFG and the client may agree on a fixed fee based on an estimate of the number of hours necessary for completion

### **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using LFG may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please note that for client accounts the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts ("transaction-based fees"). For some accounts, the client may be offered the choice of asset-based pricing, where the custodian charges a percentage of the dollar amount of assets in the account in lieu of transaction-based fees. If asset-based pricing is selected and very little trading is done for the account, more fees could be paid by the client to the custodian than would have been charged under transaction-based pricing. Factors the client should consider before selection asset-based pricing instead of transaction-based pricing include the amount of trading expected in the portfolio, the size of the portfolio, and the transaction fees and asset-based fees charged by the custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.



**Item 6: Performance-Based Fees and Side-by-Side Management**

LFG does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests. All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

**Item 7: Types of Clients**

LFG provides investment advisory services to individuals, high net worth individuals, trusts, charitable organizations, and other business entities.

LFG generally requires a minimum account size of \$250,000. LFG, in its sole discretion, may waive the required minimum. Third-party managers may impose additional restrictions; please refer to the third-party manager's disclosure brochure.

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

LFG uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

LFG and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, LFG reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. LFG may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

**A.2. Mutual Funds and Individual Securities, Third-Party Separate Account Managers**

LFG may recommend no-load and load-waived mutual funds and individual securities (including fixed income instruments). LFG may also assist the client in selecting one or more appropriate third-party manager(s) for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that LFG will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

LFG has formed relationships with third-party vendors that:

- provide a technological platform for separate account management
- prepare performance reports
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

LFG may utilize additional independent third parties to assist it in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

LFG reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include:

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by LFG on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by LFG (both of which are negative factors in implementing an asset allocation structure).

LFG may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. LFG will endeavor to obtain equal treatment for its clients with funds or managers but cannot assure equal treatment.

LFG will regularly review the activities of mutual funds and managers utilized for the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

## **A.2. Material Risks of Investment Instruments**

LFG typically invests in open-end mutual funds and exchange-traded funds for the vast majority of its clients. However, for certain clients, LFG may effect transactions in the following types of securities:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities
- Corporate debt securities, commercial paper, and certificates of deposit
- Fee-only Variable annuities
- Private equity or private real estate
- Hedge fund vehicles

### **A.2.a. Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

### **A.2.b. Warrants and Rights**

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

### **A.2.c. Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

### **A.2.d. Exchange-Traded Funds ("ETFs")**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> ("QQQs<sup>SM</sup>") iShares<sup>®</sup> and VIPERS<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

#### **A.2.e. Fixed Income Securities**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

#### **A.2.f. Corporate Debt, Commercial Paper and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

### **B. Investment Strategy and Method of Analysis Material Risks**

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

#### **B.1. Margin Leverage**

Although LFG, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, LFG will utilize leverage. In this regard, please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So, if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **B.2. Investing in Private Funds**

LFG may recommend clients invest in private fund vehicles, including hedge funds and private equity funds. Investors should refer to the offering materials of the private fund for a list of inherent risks.

### **B.3. Technical Trading Models**

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

### **C. Security-Specific Material Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

**Item 9: Disciplinary Information**

**A. Criminal or Civil Actions**

There is nothing to report on this item.

**B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

**C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.



**Item 10: Other Financial Industry Activities and Affiliations****A. Broker-Dealer or Representative Registration**

Neither LFG nor its affiliates, employees, or independent contractors are registered broker-dealers and do not have an application to register pending.

**B. Futures or Commodity Registration**

Neither LFG nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

**C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest****C.1. Levin Insurance Services, LLC**

Certain managers, members, and registered employees of LFG are licensed insurance agents of Levin Insurance Services, LLC, d/b/a Levin Risk Management, an affiliated entity to LFG. With respect to the provision of financial planning services, LFG professionals may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that LFG strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire.

Levin Risk Management is also a Member Firm of New First Financial Resources ("NFFR"). LFG professionals may recommend life insurance products offered through NFFR and receive compensation for doing so. Please be advised there are conflicts of interest in that there is (i) an economic incentive to recommend insurance products because we receive compensation for the sale of such products; (ii) Levin Risk Management receives a dividend based upon on its total membership interest in NFFR. LFG clients are under no obligation to purchase life insurance products or utilize the services of NFFR and may use the provider of their choice.

Levin Insurance Services also has an ownership interest in Acumen Insurance Solutions. This entity provides a marketing presence for the insurance business focusing on not-for-profit organizations.

**C.2. Buckingham Strategic Partners**

LFG contracts with Buckingham Strategic Partners, LLC ("BSP") for back-office services and assistance with fixed-income and other portfolio modeling. LFG has a fiduciary duty to select qualified and appropriate managers in the client's best interest and believes that BSP effectively provides both the back-office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of LFG continuously makes this assessment. While LFG has a contract with BSP governing a time period for back-office services, LFG has no such fixed commitment to the selection of BSP for fixed income.

**D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

Mr. Levin, in his individual capacity, acts as a promoter for The Family Office ("TFO"). In his capacity as promoter, Mr. Levin offers advisory services through TFO. LFG is not compensated by TFO for referrals, however Mr. Levin, in his capacity as promoter of TFO, will be compensated by TFO based on a portion of the investment management fees charged by TFO. To the extent that Mr. Levin recommends TFO's services and receives compensation for doing so, a conflict of interest exists because he may have an

incentive to make recommendations based on the compensation received rather than on a client's needs. LFG has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of LFG's fiduciary duty to clients, LFG and its representatives will endeavor at all times to put the interests of the clients first, and recommendations will be made to the extent that they are reasonably believed to be in the best interests of the client. Please see Item 14 for additional disclosure on promoter arrangements.

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

**A. Code of Ethics Description**

In accordance with the Advisers Act, LFG has adopted policies and procedures designed to detect and prevent insider trading. In addition, LFG has adopted a Code of Ethics (the “Code”). Among other things, the Code includes written procedures governing the conduct of LFG's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of LFG. LFG will send clients a copy of its Code of Ethics upon written request.

LFG has policies and procedures in place to ensure that the interests of its clients are given preference over those of LFG, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

**B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

LFG does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, LFG does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

**C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

LFG, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which LFG specifically prohibits. LFG has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow LFG's procedures when purchasing or selling the same securities purchased or sold for the client.

**D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

LFG, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other LFG clients. LFG will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of LFG to place the clients' interests above those of LFG and its employees.

LFG will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### A.1. Custodian Recommendations

LFG may suggest that clients establish brokerage accounts with a variety of custodians, depending on client needs, to maintain custody of clients' assets and to effect trades for their accounts. Although LFG may recommend that clients establish accounts at a certain custodian, it is the client's decision to custody assets with the custodian. LFG is independently owned and operated and not affiliated with any custodian. For LFG client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

LFG considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances, and subject to approval by LFG, LFG will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by LFG will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

##### A.1.a. How We Select Brokers/Custodians to Recommend

LFG seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

**A.1.b. Client's Custody and Brokerage Costs**

For some accounts, the custodian may charge a percentage of the dollar amount of assets in the account in lieu of commissions. The custodian's commission rates and asset-based fees applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the overall commission rates and asset-based fees paid are lower than they would be if the firm had not made the commitment. In addition to commissions or asset-based fees, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

**A.1.c. Soft Dollar Arrangements**

LFG does not utilize soft dollar arrangements. LFG does not direct brokerage transactions to executing brokers for research and brokerage services.

**A.1.d. Institutional Trading and Custody Services**

Custodians provides LFG with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodians' brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

**A.1.e. Other Products and Services**

Custodian also makes available to LFG other products and services that benefit LFG but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of LFG's accounts, including accounts not maintained at custodian. The custodian may also make available to LFG software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of LFG's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help LFG manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of LFG personnel. In evaluating whether to recommend that clients custody their assets at the custodian, LFG may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or

quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

#### **A.1.f. Independent Third Parties**

The custodians may make available, arrange, and/or pay third-party vendors for the types of services rendered to LFG. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to LFG.

#### **A.1.g. Additional Compensation Received from Custodians**

LFG may participate in institutional customer programs sponsored by broker-dealers or custodians. LFG may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between LFG's participation in such programs and the investment advice it gives to its clients, although LFG receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may 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 LFG participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to LFG by third-party vendors

The custodian may also pay for business consulting and professional services received by LFG's related persons and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for LFG's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit LFG but may not benefit its client accounts. These products or services may assist LFG in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help LFG manage and further develop its business enterprise. The benefits received by LFG or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

LFG also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require LFG to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, LFG will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by LFG's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for LFG's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, LFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by LFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence LFG's recommendation of broker-dealers for custody and brokerage services.

**A.1.h. The Firm's Interest in Custodians' Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

**A.2. Brokerage for Client Referrals**

LFG does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

**A.3. Directed Brokerage**

Occasionally, clients may direct LFG to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage LFG derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. LFG loses the ability to aggregate trades with other LFG advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

**B. Aggregating Securities Transactions for Client Accounts****Best Execution**

LFG, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. LFG recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. LFG will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client



- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, LFG seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of LFG's knowledge, these custodians provide high-quality execution, and LFG's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, LFG believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

### **Order Aggregation**

In limited circumstances, LFG can generally block trades where possible and when advantageous to clients. However, the majority of certain trades will be effected independently. The blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts where transaction costs are shared equally and on a pro-rated basis between all accounts included in the block. Block trading allows us to execute equity or fixed income trades in a timely, equitable manner. Clients who do not provide LFG with discretion will not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts. Accounts owned by supervised persons of our firm may participate in block trading with client accounts; however, these individuals will not be given preferential treatment of any kind.

For any block trades, in the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation.

**Item 13: Review of Accounts****A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Accounts are reviewed by John Levin, LFG's Managing Member. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than semi-annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in the underlying investment, or changes in macro-economic climate.

**B. Review of Client Accounts on Non-Periodic Basis**

LFG may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how LFG formulates investment advice.

**C. Content of Client-Provided Reports and Frequency**

All investment management clients will receive quarterly performance reports, prepared by the third-party manager or sub-advisor, which summarize the client's account and asset allocation.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by LFG.

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**Item 14: Client Referrals and Other Compensation**

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**A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

LFG has entered into contractual agreements to act as a promoter. Pursuant to these agreements, LFG receives compensation for referring prospective clients to third-party investment managers. Such arrangements will comply with the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940. The promoter fee is paid pursuant to a written agreement with the referral partner and required disclosures are provided to the introduced client describing the arrangement and compensation received.

**B. Advisory Firm Payments for Client Referrals**

LFG may enter into agreements with promoters who will refer prospective advisory clients to LFG in return for a portion of the ongoing investment advisory fee. Such arrangements will comply with the requirements of Rule 206(4)-1. Generally, these requirements require the promoter to have a written agreement with LFG. The client will be provided with a disclosure document describing the fees paid to the promoter and any conflicts of interests.

**Item 15: Custody**

LFG is deemed to have custody of a client's assets as a result of its authority to directly deduct our advisory fees from the client's account. The custodian maintains actual custody of clients' assets. Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Clients are urged to compare billing statements provided by LFG to the custodian statement for accuracy. Any discrepancies should be brought to the firm's attention.

**Item 16: Investment Discretion**

Clients may grant a limited power of attorney to LFG with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, LFG will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, LFG may be granted discretionary authority for the retention and termination of independent third-party investment management firms. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable third-party manager's disclosure brochure for detailed information relating to discretionary authority.

**Item 17: Voting Client Securities**

LFG does not take discretion with respect to voting proxies on behalf of its clients. LFG will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of LFG supervised and/or managed assets. In no event will LFG take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, LFG will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. LFG has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. LFG also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, LFG has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where LFG receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

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**Item 18: Financial Information****A. Balance Sheet**

LFG does not require the prepayment of fees of \$500 or more, six months or more in advance, and as such is not required to file a balance sheet.

**B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

LFG does not have any financial issues that would impair its ability to provide services to clients.

**C. Bankruptcy Petitions During the Past Ten Years**

There is nothing to report on this item.