



Thrive Capital Management

500 W Office Center Drive, Suite 300
Fort Washington, PA 19034

800-516-5861

www.thrivefinancialservices.com

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FORM ADV PART 2A DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Thrive Capital Management, LLC. Being registered as a registered investment adviser 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 800-516-5861. 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 Thrive Capital Management, LLC (CRD #281347) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The Material Changes' section of this brochure is updated annually or when material change occurs since the previous release of the Firm Brochure.

Changes / Material Changes since the Last Update

Since the last annual filing, the following changes have occurred at Thrive Capital Management ("Thrive" or "TCM"):

- Thrive has moved offices and is reflected on the cover page.
- *Item 4 Advisory Business* – Updated language in the asset management services section, including the investment process and model portfolios. We also expanded upon our financial planning services. Please see Item 4 to review more information regarding our advisory business.
- *Item 5 Fees and Compensation* – Added language around the use of third-party money managers and how fees are assessed. When Thrive uses a third-party manager, the fee will be debited directed from your account and is in addition to Thrive's advisory fee. Please see Item 5 for additional information.
- *Item 12 Brokerage Practices* – Added language regarding mutual fund share class selection. Please see Item 12 for additional details.

Additional changes were made throughout for language consistency and clarification.

Item 3: Table of Contents

Item 2: Material Changes	2
Changes / Material Changes since the Last Update	2
Item 3: Table of Contents	3
Item 4: Advisory Business	5
Firm Description	5
Types of Advisory Services	5
ASSET MANAGEMENT	5
Use of Model Portfolios	5
Use of Other Investment Managers	6
FINANCIAL PLANNING AND CONSULTING	6
SEMINARS AND WORKSHOPS	6
Client Tailored Services and Client Imposed Restrictions.....	6
Wrap Fee Programs	6
IRA Rollover Recommendations	6
Client Assets under Management	7
Item 5: Fees and Compensation	7
Method of Compensation and Fee Schedule	7
ASSET MANAGEMENT	7
Use of Other Managers Fees	8
FINANCIAL PLANNING AND CONSULTING	8
ADDITIONAL CLIENT FEES CHARGED	8
External Compensation for the Sale of Securities to Clients.....	8
Item 6: Performance-Based Fees and Side-by-Side Management	8
Item 7: Types of Clients	9
Description	9
Account Minimums	9
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	9
Investment Strategy	9
Material Risks.....	10
Selection of Third-Party Money Managers.....	10
Item 9: Disciplinary Information	11
Administrative Enforcement Proceedings	11
Self-Regulatory Organization Enforcement Proceedings.....	11
Item 10: Other Financial Industry Activities and Affiliations	11
Broker-Dealer or Representative Registration	11

Futures or Commodity Registration	11
Conflicts of Interest	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Code of Ethics Description	12
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest	13
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest	13
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest	13
Item 12: Brokerage Practices	13
Factors Used to Select Broker-Dealers for Client Transactions	13
Directed Brokerage	14
Best Execution	14
Soft Dollar Arrangements	14
Aggregating Securities Transactions for Client Accounts	14
Item 13: Review of Accounts	15
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved	15
Review of Client Accounts on Non-Periodic Basis	15
Content of Client Provided Reports and Frequency	15
Item 14: Client Referrals and Other Compensation	15
Item 15: Custody	15
Item 16: Investment Discretion	15
Discretionary Authority for Trading	15
Item 17: Voting Client Securities	16
Proxy Votes	16
Item 18: Financial Information	16
Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients	16
Bankruptcy Petitions during the Past Ten Years	16

Item 4: Advisory Business

Firm Description

Thrive Capital Management, LLC, ("Thrive") was founded in 2015. Thrive Holdings, LLC, is its 100% owner, which represents the interests of the firm's managing partners Bret Elam, David Bezar and Karen Bezar. Thrive is a fee-based investment management and financial planning firm. Investment Advisor Representatives ("IARs") of the firm may be dual employees of Thrive and its affiliated entity that sells insurance products.

Investment advice is an integral part of the investment management and financial planning process. Thrive advises its clients regarding cash flow, retirement planning, tax planning and estate planning. An evaluation of each client's initial financial situation is conducted by Thrive. Ongoing, periodic reviews are conducted, and communication is provided to the client regarding the specific courses of action that Thrive recommends.

If applicable, other professionals (e.g., lawyers or accountants) are engaged directly by the client. Any conflict of interest will be disclosed to the client in the event they should occur.

Types of Advisory Services

Thrive provides investment management services and furnishes financial planning and investment advice to its clients.

ASSET MANAGEMENT

Thrive offers discretionary asset management services to advisory clients. Discretionary authorization will allow Thrive to determine the specific securities, and the amount of securities, to be purchased or sold for your account without prior approval for each transaction. All discretionary trades made by Thrive will be in accordance with each client's investment objectives and goals.

Thrive will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocations, portfolio monitoring, and the overall investment program will be based on the above factors.

After conducting our initial review, Thrive will determine an asset allocation strategy customized to your specific goals, investment objectives and risk tolerance. The portfolio recommendations may involve the sale of positions currently held by you. Thrive generally utilizes exchange traded funds; stocks; bonds; mutual funds, money market funds; and third-party money managers.

In performing its asset management services for each client, Thrive will utilize a third-party platform operated by an unaffiliated investment advisor, AE Wealth Management ("Sub-Advisor"). The Sub-Advisor provides Thrive with certain sub-advisory administrative, technical and support services. Thrive will provide you with the Sub-Advisor's disclosure documents, including Form ADV 2A. Please refer to these disclosure documents for additional details regarding the Sub-Advisor.

Use of Model Portfolios

Thrive has constructed a number of diversified model portfolios that vary in characteristics including but not limited to risk profile, asset allocation, and investment objectives. The portfolios primarily consist of exchange traded funds and are monitored by Thrive's Investment Committee. Model Portfolios are intended to provide a diversified investment approach to target a particular balance of return and risk or portfolio objective.

Use of Other Investment Managers

Thrive may use the services of other unaffiliated third-party money managers when selecting investment strategies for clients. Such services may involve active or passive asset management using a customized or a model portfolio approach. In all cases, Thrive will monitor the third-party money managers and possess the discretionary authority to hire and fire any such outside manager. Additional fees may apply when utilizing a third-party money manager. Please see Item 5 for additional details.

FINANCIAL PLANNING AND CONSULTING

Thrive provides financial planning services on a one-time basis. These fees are detailed in the “Fees and Compensation” section of this brochure. Services include, but are not limited to, a thorough review of all applicable topics including Retirement Analysis, College and Major Goal Funding, Estate Plan/Trusts Review, Investment Related Tax Planning, and Insurance Needs Analysis. 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 are under no obligation to act upon the financial planning recommendations. Should you choose to act on any of the recommendations, you are under no obligation to effect the transaction through Thrive. Thrive is not authorized or qualified to give legal advice, prepare legal documents, or to act as a trustee. You should consult your attorney, accountant, and other personal advisers for these services.

SEMINARS AND WORKSHOPS

Thrive holds seminars and workshops to educate the public on different types of investments and the different services it offers. The seminars are educational in nature and no specific investment or individual tax advice is given. Thrive does not charge a fee for attendance for these seminars.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect client stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Wrap Fee Programs

Thrive does not sponsor any wrap fee programs.

IRA Rollover Recommendations

For purposes of complying with the DOL’s Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”) where applicable, we are providing the following acknowledgment to you.

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 a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, 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.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Client Assets under Management

As of December 31, 2022, Thrive has approximately \$244,686,500.00 in client assets under management on a discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

Thrive offers discretionary asset management services to advisory clients. The fees for these services will be based on a percentage of Assets under Management as follows:

Assets Under Management	Total Annual Fee
First \$1,000,000	1.25%
Next \$2,000,000	0.85%
Next \$3,000,000	0.75%
Over \$6,000,000	0.65%

This is a blended schedule. The portfolio management fee is calculated by applying different rates to different portions of the portfolio. For purposes of fee calculations, we group accounts managed by Thrive together by household to determine the blend of our fees.

Thrive's annual fee is negotiable in particular situations based on a number of factors, which include, but are not limited to: "grandfathered" accounts, related accounts, and complexity of the asset management services recommended for the client. In limited situations, we manage accounts for family and friends without charge.

Fees are generally billed monthly in arrears based on the average daily balance of the account. In some instances, as described in your investment management agreement, Thrive will bill quarterly in arrears based on the amount of assets managed as of the close of business on the last day of each quarter. Advisory fees are deducted from the clients' accounts by the custodian at the direction of the Client.

Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. Clients may terminate advisory services with thirty (30) days written notice. Thrive will be entitled to a pro rata fee for the days that service was provided in the final billing period, as applicable to the client. Clients shall be given thirty (30) days prior written notice of any increase in fees.

Most Thrive clients have authorized an automatic fee withdrawal through their custodian as stated below:

- The client provides written authorization permitting the adviser's fees to be paid directly from the client's account held by the independent custodian;

- The independent custodian agrees to send to the client, at least quarterly, a statement indicating all amounts disbursed from the account; and
- The client receives a statement from the custodian showing the amount of the fee. Fee invoices for each client are available upon request from Thrive.

Use of Other Managers Fees

When Thrive utilizes a third-party manager to manage your accounts, the third-party manager fee will be deducted directly from your account. This fee will be in addition to Thrive's advisory fee as described above. Depending on the product and the manager the third-party manager fee ranges between 0.05% - 0.50%. Third-party managers fees are billed monthly in arrears based on the average daily balance of the account.

FINANCIAL PLANNING AND CONSULTING

Thrive charges financial planning and consulting fees on an hourly basis at a rate of \$350 - \$500 per hour. Prior to the planning process the client will be provided an estimated overall plan fee, with a minimum engagement of 10 hours. The complexity and sophistication of a client's finances cause differences in terms of the time it takes to set forth a plan. Financial planning services include, but are not limited to, a thorough review of all applicable topics including Estate Plans/Trusts, Investments, Taxes, and Insurance. Services are completed and delivered within ninety (90) days.

Fees for financial plans are billed in part, in advance, based on the estimate total planning fee. The balance is due upon delivery of the financial plan. If the client terminates the agreement during the planning period, client will be billed on a pro-rata basis for the number of hours spent on the plan until the time of termination.

ADDITIONAL CLIENT FEES CHARGED

In addition to Thrive's fees, custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds.

Thrive uses various securities instruments in client portfolios, including, but not limited to, equities, exchange traded funds and mutual funds. Thrive may also recommend or select other investment managers to manage some or all of a client's portfolio. To the extent that a client's assets are invested in these vehicles or managed by another investment manager, the client will pay management and other product specific fees in addition to the fees paid by the client to Thrive. As applicable, those fees are described in each vehicle's prospectus or each third-party manager's Form ADV.

For more details on brokerage practices, see Item 12 of this brochure.

External Compensation for the Sale of Securities to Clients

Thrive does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of Thrive.

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

Thrive does not earn fees based on a share of the capital gains or capital appreciation of managed securities. Thrive does not receive any performance-based fee structure compensation.

Item 7: Types of Clients

Description

Thrive generally provides investment advice to individuals, high net worth individuals, businesses and charitable organizations or foundations. Client relationships vary in scope and duration depending upon of the level of service.

Account Minimums

Thrive does not require an account minimum. Third party money manager or sub-advisor programs may impose minimum requirements.

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

Thrive's investment process focuses on identifying, recommending, and monitoring investment opportunities with a goal of attaining long-term, risk-adjusted returns. We adhere to a well-defined analytical process based on diligent research. Our portfolios include, but are not limited to, individual stocks, cash equivalents, and ETFs.

Thrive uses its own model portfolios as well as third party asset managers for building our clients' investment strategies. For our internal model portfolios, we perform formal quarterly reviews on all of our model portfolios' asset allocations to determine if rebalancing is necessary. If a decision is made to make adjustments to our models, we initiate a rebalance of accounts associated with the models to bring client accounts in line with the updated model allocation. Our firm uses the following method of analysis when formulating our investment advice and our own internal portfolios for Thrive clients.

Fundamental Analysis: This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, and other qualitative and quantitative factors. Fundamental analysts study what affects a security's value, including macroeconomic factors (like the overall economy and industry conditions) and individual specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price with the goal of determining the type of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis.

Fundamental analysis is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to less-than-optimal investment decisions and forecasting.

The main sources of information include financial newspapers and magazines, research materials prepared by others including other investment managers, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy

The investment strategy for a specific client is based upon the objectives and risk tolerances stated by

the client during consultations. The client may change these objectives at any time.

Material Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Thrive:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Equity Risk:** Equities generally have more risk and volatility than fixed income securities.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of an investment's originating country. This is also referred to as exchange rate risk.
- **Overall market volatility:** Due to COVID-19, political uncertainty, and other global effects, the market has seen increased volatility. Market volatility is a risk born by all investors. World events trigger market uncertainty which can translate into investment losses.
- **Long-term purchases:** Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically, the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- **Short-term purchases:** Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- **Trading risk:** Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

Selection of Third-Party Money Managers

In addition to utilizing our firm's own model portfolios, Thrive can use certain outside investment managers to manage client assets. Our selection process cannot ensure that third-party money managers will perform as desired and Thrive has no control over the day-to-day operations of any of

its selected third-party money managers. Thrive conducts initial and ongoing due diligence of third-party money manager and sub-advisors as part of its fiduciary duty to its clients. Thrive has contracted with a Sub-Advisor which is an investment advisers registered with the United States Securities and Exchange Commission. This contract provides Thrive clients with access to model portfolios, and third-party money managers. Thrive retains its discretion over accounts and client assets which are invested in such models.

Item 9: Disciplinary Information

Without admitting or denying any liability and prior to and separate from Thrive, a member of Thrive's current management team entered into a consent agreement with the FDIC in May 2017 as related to a prior business relationship. The facts surrounding the consent agreement relate to business activities for a correspondent mortgage division of a banking company in 2008. As part of the consent agreement, the FDIC issued an order which requires that this member of Thrive's management team not participate in any future banking activities for an FDIC-related institution without prior written approval by the FDIC.

Administrative Enforcement Proceedings

Neither Thrive nor its management have been involved in any criminal or civil action.

Self-Regulatory Organization Enforcement Proceedings

Neither Thrive nor its management persons have been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Thrive is affiliated and under common control with two insurance agencies, Thrive Insurance Group ("TIG") and Thrive Financial Services ("TFS").

Broker-Dealer or Representative Registration

Neither Thrive nor any of its employees are registered representatives of a broker-dealer.

Futures or Commodity Registration

Neither Thrive nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Conflicts of Interest

Thrive only provides investment advisory services. However, our investment advisory representatives are also insurance agents of TIG and TFS. As such, they can effect transactions and earn commissions on insurance products. Compensation earned in that capacity is separate and in addition to Thrive's advisory fees. All compensation received by IARs for insurance sales through TIG and TFS is separate, yet customary for effecting those transactions.

The recommendation by an IAR that a Thrive client purchase an insurance product through him/her as an insurance agent presents a conflict of interest, as the receipt of commissions is an incentive to recommend products based on commissions rather than on a particular client's need. This is a conflict of interest, and the objectivity of the advice rendered to clients is therefore biased.

As a registered investment adviser, Thrive is deemed to be a fiduciary as it relates to its investment management and advisory services. Thrive and its IARs have an obligation to act in the best interest of clients. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of the firm by purchasing disability insurance, life insurance, annuities, or other insurance products only if doing so is in your best interest.

Commissions received from these insurance and annuity products can provide the IAR with compensation that is greater than the fees that would otherwise be generated if a client invests in a Thrive asset management account.

The firm has taken steps to manage this conflict of interest by requiring that each investment adviser representative only recommend insurance and annuities when in the best interest of the client. Clients should be aware that there are other insurance products that are offered by other insurance agents other than those recommended by Thrive. Clients are under no obligation to implement any insurance or annuity transaction through TIG or TFS.

As stated in Item 4, Thrive utilizes a Sub-Advisor to assist with back-office / operations functions. This relationship includes certain economic benefits. Thrive obtains investment research for its own model portfolios, technology, account billing, trading, and client service support through its Sub-Advisor contracts. Based upon the total client assets under management that Thrive brings to a Sub-Advisor, Thrive is provided with certain additional economic benefit for doing so. With specific regard to AEWM, Thrive may receive various services from other investment managers retained or otherwise made available by the Sub-Advisor and the cost of such services may be paid by the Sub-Advisor, thus creating an incentive for Thrive to use the Sub-Advisor.

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

Code of Ethics Description

The employees of Thrive have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Thrive employees and address conflicts that arise. The Code requires, among other things, that all employees comply with applicable federal securities laws and affirms our fiduciary duty to always act in the best interest of clients.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Thrive's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Thrive may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Thrive's Code is based on the guiding principle that the interests of the client are our top priority. Thrive's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises,

it is our obligation to put the client's interests over the interests of either employees or the company.

Thrive will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

Thrive and its employees do not recommend securities in which we have a material financial interest.

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

Thrive and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Thrive with copies of their brokerage statements.

The Chief Compliance Officer of Thrive is Christopher Bak. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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

Thrive does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate potential conflicts of interest, employees are required to obtain pre-approval from the CCO or his designee for certain transactions, disclose all reportable securities transactions and provide copies of their brokerage statements.

The CCO and/or his designees review access person trades each quarter.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Thrive is not under common control or ownership with any broker/dealer or custodian. The Firm recommends that clients use TD Ameritrade or Charles Schwab & Co, Inc. ("Schwab") as its preferred custodians. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Thrive.

Thrive does not receive fees or commissions from TD Ameritrade or Schwab. However, the Firm does receive support services and/or products which assist the Firm in monitoring and servicing client accounts. These support services are provided at no additional cost to Thrive or its clients. Client commissions are not used to purchase such services. These support services include: a dedicated trading desk, a dedicated service group and an account services manager dedicated to Thrive's accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts.

No special consideration is given to Thrive by TD Ameritrade or Schwab. These services are the same as those offered to any other institutional investment manager and have no correlation to the client assets or accounts managed at the Firm.

Directed Brokerage

Thrive does not use directed brokerage. In circumstances where a client directs Thrive to use a certain broker-dealer, Thrive still would have a fiduciary duty to its clients. However, in that circumstance, Thrive would be unable to negotiate commissions, obtain volume discounts, and there may be a disparity in commission charges among clients.

Best Execution

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what constitutes best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Thrive does not receive any portion of the trading fees.

Factors that Thrive considers in recommending TD Ameritrade and Schwab include a historical relationship with Thrive, financial strength, reputation, execution capabilities, ease of administration/management, security, pricing, research, and service. Accordingly, although Thrive seeks competitive rates, it will not always obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Thrive's investment management fee.

Soft Dollar Arrangements

Thrive has no soft dollar arrangements.

Aggregating Securities Transactions for Client Accounts

The processing of trades in client accounts is delegated by Thrive, to the Sub-Advisor. Thrive will send trade instructions to the Sub-Advisor. The Sub-Advisor is responsible for submitting transactions for clients on behalf of Thrive, on an individual or aggregated basis, according to the Sub-Advisor's policies. For a complete description of the Sub-Advisor's policies regarding aggregate trading, please refer to the Sub-Advisor's Form ADV2A.

In some instances, Thrive will aggregate purchases and sales for client accounts in the same securities. All clients participating in an aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. Transactions and trade instructions received by the Sub-Advisor are submitting based on the instruction of Thrive.

Mutual Funds Share Class Selection: Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount. Institutional share classes usually have a lower expense ratio than other share classes. Thrive generally does not recommend investments in mutual funds, however, in some instances clients will transfer in or hold mutual fund positions in their account. Thrive will review these holdings and consider available share classes and select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the

appropriate factors Thrive can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, Thrive considers retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their IAR whether a lower cost share class is available instead of those selected.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Individual account reviews are performed by Thrive investment adviser representatives at least annually. Account reviews are performed more frequently when market conditions dictate. Financial plans are considered to be complete when recommendations are delivered to the client. A review of financial plans may be done upon the request of the client and may carry additional fees.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own personal or financial situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than quarterly, issued by the custodian. Clients receive confirmations of each transaction in their accounts from their Custodian.

Item 14: Client Referrals and Other Compensation

Thrive does not receive economic benefit from a non-client party in regard to providing investment advisory services to Thrive's clients. Thrive does not compensate for client referrals.

Item 15: Custody

Thrive does not maintain physical possession of client assets. All assets are held by qualified custodians. Custodians provide account statements directly to clients at their address of record at least quarterly. Clients are encouraged to carefully review their account statements received directly from their custodians. There are currently no situations where Thrive or its investment adviser representatives are deemed to have custody as defined in the Advisers Act.

Item 16: Investment Discretion

Discretionary Authority for Trading

Thrive accepts discretionary authority to manage securities accounts on behalf of clients. With investment discretion, Thrive has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

The client approves the custodian to be used. Thrive does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

Item 17: Voting Client Securities

Proxy Votes

Thrive does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Item 18: Financial Information

Thrive does not serve as a custodian for client funds or securities. Thrive does not require pre-payment of fees of more than \$1,200 per client, six months or more in advance.

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

Thrive is aware of no condition that is reasonably likely to impair its ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither Thrive nor anyone on its management team has filed any bankruptcy petition in the last ten years.